

Consolidated Cash Flow Statement

For the year ended 31 December 2006
(Expressed in Renminbi)

	2006		2005	
	RMB'000	RMB'000	RMB'000	RMB'000
Operating activities				
Profit from ordinary activities before taxation			155,772	
	192,253			
Adjustments for:				
Depreciation	17,749		17,653	
Amortisation of leasehold land and rental prepayments	15,566		13,732	
Loss on disposal of property, plant and equipment	-		4,913	
Impairment loss of rental prepayments	-		3,333	
Impairment loss of bad and doubtful debts	-		720	
Reversal of impairment loss of bad and doubtful debts	(3,553)		-	
Employee share-based payment	7,431		138	
Write-down of obsolete and slow moving inventories	-		101	
Finance costs	21,571		7,304	
Interest income	(7,738)		(3,352)	
Operating profit before changes in working capital	243,279		200,314	
Decrease in inventories	1,988		6,501	
Increase in trade and other receivables	(118,794)		(9,833)	
Increase/(Decrease) in trade payables and other payables (excluding due to a director)	22,377		(1,377)	
Decrease in provision for staff welfare benefit	(972)		(149)	
Cash generated from operations	147,878		195,456	
Tax paid				
Mainland China enterprise income tax paid	(46,383)		(42,889)	
Net cash generated from operating activities		101,495		152,567

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(Expressed in Renminbi)

	Notes	2006		2005	
		RMB'000	RMB'000	RMB'000	RMB'000
Investing activities					
Payment for purchase of property, plant and equipment		(108,126)		(3,116)	
Payment for rental prepayments		(22,420)		(22,000)	
Increase in time deposits with original maturities over three months		(169,358)		-	
Interest received		7,738		3,352	
Net cash used in investment activities			(292,166)		(21,764)
Financing activities					
New bank loans		293,566		41,500	
Repayment of bank loans		(70,000)		(64,330)	
(Decrease)/Increase in amount due to a director		(15,065)		13,776	
Proceeds from issue of share capital		24,512		-	
Interest paid		(14,530)		(5,235)	
Share buy backs		(282)		-	
Redemption of coupon bonds		(36,416)		-	
Proceeds from issuance of new convertible notes		111,794		-	
Dividends paid		(14,431)		(29,207)	
Net cash generated from/(used in) financing activities			279,148		(43,496)
Increase in cash and cash equivalents			88,477		87,307
Cash and cash equivalents at beginning of the year			582,185		494,950
Effect of foreign exchange rate changes, net			3,135		(72)
Cash and cash equivalent at end of the year	21		673,797		582,185

The notes on pages 44 to 93 form an integral part of these financial statements.