## CONSOLIDATED CASH FLOW STATEMENT

## Year ended 31 December

Note   RMB'000   RMB'0000   RMB'0000   RMB'0000   RMB'0000   RMB'0000   RM		2000		2005
Cash flows from operating activities         19,767         65,542           Adjustments for:         Impairment loss on property, plant and equipment         735         —           Depreciation of property, plant and equipment         12,267         9,928           Gain on disposal of property, plant and equipment, net         (6,989)         —           Loss/(gain) on disposal of investment properties         234         (1,704)           Fair value gains on investment properties         —         (4,637)           Transfer from equity on disposal of investment properties         —         (4,637)           Amortisation of leasehold land and land use rights         265         106           Loss on disposal of leasehold land and land use right         2,043         —           Amortisation of trademarks and franchise contract         300         5           Expense of share-based payments         965         1,279           Effect of foreign exchange rate changes         (934)         —           Interest income         (959)         (737)           Interest expenses         2,238         477           Operating profit before working capital changes         29,375         70,259           Increase in other assets         (6,851)         —           Increase in inventories         <				
Profit before income tax expense   19,767   65,542		Note	RMB'000	RMB'000
Adjustments for:   Impairment loss on property, plant and equipment   735   — Depreciation of property, plant and equipment   12,267   9,928   Gain on disposal of property, plant and equipment, net   (6,989)   — Loss/(gain) on disposal of investment properties   234   (1,704)   Fair value gains on investment properties   234   (1,704)   Fair value gains on investment properties   — (4,637)   — (4,	Cash flows from operating activities			
Impairment loss on property, plant and equipment   12,267   9,928	Profit before income tax expense		19,767	65,542
Impairment loss on property, plant and equipment   12,267   9,928	Adjustments for:			
Depreciation of property, plant and equipment   12,267   9,928			735	_
Gain on disposal of property, plant and equipment, net         (6,989)         —           Loss/(gain) on disposal of investment properties         234         (1,704)           Fair value gains on investment properties         —         (4,637)           Transfer from equity on disposal of investment properties         (557)         —           Amortisation of leasehold land and land use right         265         106           Loss on disposal of leasehold land and land use right         2,043         —           Amortisation of trademarks and franchise contract         300         5           Expense of share-based payments         965         1,279           Effect of foreign exchange rate changes         (934)         —           Interest income         (959)         (737)           Interest expenses         2,238         477           Operating profit before working capital changes         29,375         70,259           Increase in other assets         (6,851)         —           Increase in inventories         (20,645)         (10,847)           Increase in trade receivables         (26,012)         (8,749)           Increase in deposits, prepayments and other receivables         (21,766)         (29,972)           (Increase)/decrease) in amounts due from a director         5			12,267	9,928
Loss/(gain) on disposal of investment properties         234         (1,704)           Fair value gains on investment properties         –         (4,637)           Transfer from equity on disposal of investment properties         (557)         –           Amortisation of leasehold land and land use rights         265         106           Loss on disposal of leasehold land and land use right         2,043         –           Amortisation of trademarks and franchise contract         300         5           Expense of share-based payments         965         1,279           Effect of foreign exchange rate changes         (934)         –           Interest income         (959)         (737)           Interest expenses         2,238         477           Operating profit before working capital changes         29,375         70,259           Increase in other assets         (6,851)         –           Increase in inventories         (20,645)         (10,847)           Increase in trade receivables         (26,012)         (8,749)           Increase in deposits, prepayments and other receivables         (21,766)         (29,972)           (Increase)/decrease in amounts due from related parties         (1,413)         418           Decrease/(increase) in amount due from a director         5			·	, _
Fair value gains on investment properties         — (4,637)           Transfer from equity on disposal of investment properties         (557)         — Amortisation of leasehold land and land use rights         265         106           Loss on disposal of leasehold land and land use right         2,043         — Amortisation of trademarks and franchise contract         300         5           Expense of share-based payments         965         1,279           Effect of foreign exchange rate changes         (934)         —           Interest income         (959)         (737)           Interest expenses         2,238         477           Operating profit before working capital changes         29,375         70,259           Increase in other assets         (6,851)         —           Increase in inventories         (20,645)         (10,847)           Increase in trade receivables         (26,012)         (8,749)           Increase in deposits, prepayments and other receivables         (21,766)         (29,972)           (Increase)/decrease in amounts due from related parties         (1,413)         418           Decrease/(increase) in amount due from a director         5         (5)           Increase in trade payables         52,213         11,274           Increase in trade payables         52,213				(1,704)
Transfer from equity on disposal of investment properties  Amortisation of leasehold land and land use rights  Loss on disposal of leasehold land and land use right  Amortisation of trademarks and franchise contract  Expense of share-based payments  Effect of foreign exchange rate changes  Interest income  Interest expenses  Operating profit before working capital changes  Increase in other assets  Increase in inventories  Increase in deposits, prepayments and other receivables  (Increase)/decrease in amounts due from related parties  Decrease/(increase) in amounts due to related parties  Increase in trade payables  Increase/(decrease) in amounts due to director  Solution  Solution  The state of the state o			_	
Amortisation of leasehold land and land use rights         265         106           Loss on disposal of leasehold land and land use right         2,043         –           Amortisation of trademarks and franchise contract         300         5           Expense of share-based payments         965         1,279           Effect of foreign exchange rate changes         (934)         –           Interest income         (959)         (737)           Interest expenses         2,238         477           Operating profit before working capital changes         29,375         70,259           Increase in other assets         (6,851)         –           Increase in inventories         (20,645)         (10,847)           Increase in trade receivables         (26,012)         (8,749)           Increase in deposits, prepayments and other receivables         (21,766)         (29,972)           (Increase)/decrease in amounts due from related parties         (1,413)         418           Decrease/(increase) in amounts due to related parties         5         (5)           Increase in trade payables         52,213         11,274           Increase/(decrease) in accruals and other payables         (15,237)         5,303           Increase/(decrease) in amounts due to directors         15,047			(557)	_
Loss on disposal of leasehold land and land use right         2,043         -           Amortisation of trademarks and franchise contract         300         5           Expense of share-based payments         965         1,279           Effect of foreign exchange rate changes         (934)         -           Interest income         (959)         (737)           Interest expenses         2,238         477           Operating profit before working capital changes         29,375         70,259           Increase in other assets         (6,851)         -           Increase in inventories         (20,645)         (10,847)           Increase in trade receivables         (26,012)         (8,749)           Increase in deposits, prepayments and other receivables         (21,766)         (29,972)           (Increase)/decrease in amounts due from related parties         (1,413)         418           Decrease/(increase) in amounts due from a director         5         (5)           Increase in trade payables         52,213         11,274           Increase in trade payables         52,213         11,274           Increase/(decrease) in accruals and other payables         (15,237)         5,303           Increase/(decrease) in amounts due to directors         15,047         (192) </td <td></td> <td></td> <td></td> <td>106</td>				106
Amortisation of trademarks and franchise contract  Expense of share-based payments  Effect of foreign exchange rate changes  Interest income  Interest income  Interest expenses  Operating profit before working capital changes  Increase in other assets  Increase in inventories  Increase in trade receivables  Increase in deposits, prepayments and other receivables  (Increase)/decrease in amounts due from related parties  Increase in amounts due to related parties  Increase in amounts due to related parties  Increase in trade payables  Increase/(decrease) in accruals and other payables  Increase/(decrease) in accruals and other payables  Increase/(decrease) in amounts due to directors  Cash generated from operations  Increase paid  In				_
Expense of share-based payments         965         1,279           Effect of foreign exchange rate changes         (934)         -           Interest income         (959)         (737)           Interest expenses         2,238         477           Operating profit before working capital changes         29,375         70,259           Increase in other assets         (6,851)         -           Increase in inventories         (20,645)         (10,847)           Increase in trade receivables         (26,012)         (8,749)           Increase in deposits, prepayments and other receivables         (21,766)         (29,972)           (Increase)/decrease in amounts due from related parties         (1,413)         418           Decrease/(increase) in amount due from a director         5         (5)           Increase in trade payables         52,213         11,274           Increase/(decrease) in accruals and other payables         (15,237)         5,303           Increase/(decrease) in amounts due to directors         15,047         (192)           Cash generated from operations         27,923         37,489           Income tax paid         (4,644)         (8,220)           Interest paid         (2,238)         (477)			·	5
Effect of foreign exchange rate changes   (934)   -     Interest income   (959)   (737)     Interest expenses   2,238   477     Operating profit before working capital changes   29,375   70,259     Increase in other assets   (6,851)   -     Increase in inventories   (20,645)   (10,847)     Increase in trade receivables   (26,012)   (8,749)     Increase in deposits, prepayments and other receivables   (21,766)   (29,972)     (Increase)/decrease in amounts due from related parties   (1,413)   418     Decrease/(increase) in amount due from a director   5   (5)     Increase in trade payables   52,213   11,274     Increase/(decrease) in accruals and other payables   (15,237)   5,303     Increase/(decrease) in amounts due to directors   15,047   (192)     Cash generated from operations   27,923   37,489     Income tax paid   (4,644)   (8,220)     Interest paid   (2,238)   (477)	Expense of share-based payments			1.279
Interest income				_
Interest expenses   2,238   477				(737)
Operating profit before working capital changes         29,375         70,259           Increase in other assets         (6,851)         —           Increase in inventories         (20,645)         (10,847)           Increase in trade receivables         (26,012)         (8,749)           Increase in deposits, prepayments and other receivables         (21,766)         (29,972)           (Increase)/decrease in amounts due from related parties         (1,413)         418           Decrease/(increase) in amount due from a director         5         (5)           Increase in amounts due to related parties         23,207         —           Increase in trade payables         52,213         11,274           Increase/(decrease) in accruals and other payables         (15,237)         5,303           Increase/(decrease) in amounts due to directors         15,047         (192)           Cash generated from operations         27,923         37,489           Income tax paid         (4,644)         (8,220)           Interest paid         (2,238)         (477)				
Increase in other assets Increase in inventories Increase in trade receivables Increase in trade receivables Increase in deposits, prepayments and other receivables (Increase)/decrease in amounts due from related parties (Increase)/decrease in amounts due from a director Increase in amounts due to related parties Increase in trade payables Increase in trade payables Increase/(decrease) in accruals and other payables Increase/(decrease) in amounts due to director Increase/(decrease) in amounts due to directors Increase/(decrease) in accruals and other payables Increase/(decrease) in amounts due to directors Increase/(decrease) in amounts due to di	<u> </u>		,	
Increase in inventories Increase in trade receivables Increase in deposits, prepayments and other receivables (Increase)/decrease in amounts due from related parties (Increase)/(increase) in amount due from a director Increase in amounts due to related parties Increase in trade payables Increase in trade payables Increase/(decrease) in accruals and other payables Increase/(decrease) in amounts due to directors  Cash generated from operations Income tax paid Interest paid  (20,645) (10,847) (29,972) (14,13) 418 (29,972) (1,413) 418 (23,207 - 5 (5) (5) (7) (1,413) 418 (1,413) 4	Operating profit before working capital changes		29,375	70,259
Increase in trade receivables Increase in deposits, prepayments and other receivables (Increase)/decrease in amounts due from related parties (Increase)/decrease in amount due from a director Increase in amounts due to related parties Increase in trade payables Increase in trade payables Increase/(decrease) in accruals and other payables Increase/(decrease) in amounts due to directors  Cash generated from operations Increase trade paid Increase/(decrease) in amounts due to directors	Increase in other assets		(6,851)	_
Increase in deposits, prepayments and other receivables (Increase)/decrease in amounts due from related parties (Increase)/decrease in amounts due from a director Decrease/(increase) in amount due from a director Increase in amounts due to related parties Increase in trade payables Increase/(decrease) in accruals and other payables Increase/(decrease) in amounts due to directors Increase/(decrease) in amounts d	Increase in inventories		(20,645)	(10,847)
(Increase)/decrease in amounts due from related parties  Decrease/(increase) in amount due from a director  Increase in amounts due to related parties  Increase in trade payables  Increase/(decrease) in accruals and other payables  Increase/(decrease) in accruals and other payables  Increase/(decrease) in amounts due to directors  Cash generated from operations  Income tax paid  Increase in amounts due to related parties  23,207  - 11,274  11,274  15,037  (192)  Cash generated from operations  27,923  37,489  Income tax paid  (4,644)  (8,220)  Interest paid  (2,238)	Increase in trade receivables		(26,012)	(8,749)
(Increase)/decrease in amounts due from related parties  Decrease/(increase) in amount due from a director  Increase in amounts due to related parties  Increase in trade payables  Increase/(decrease) in accruals and other payables  Increase/(decrease) in accruals and other payables  Increase/(decrease) in amounts due to directors  Cash generated from operations  Income tax paid  Increase in trade payables  (15,237)  5,303  (192)  Cash generated from operations  (27,923  37,489  Income tax paid  (4,644)  (8,220)  Interest paid	Increase in deposits, prepayments and other receivables		(21,766)	(29,972)
Increase in amounts due to related parties Increase in trade payables Increase/(decrease) in accruals and other payables Increase/(decrease) in amounts due to directors  Cash generated from operations Income tax paid Interest paid  23,207 - 11,274 11,274 11,274 11,274 15,303 15,303 15,047 (192)  27,923 37,489 10,000	(Increase)/decrease in amounts due from related parties		(1,413)	418
Increase in amounts due to related parties Increase in trade payables Increase/(decrease) in accruals and other payables Increase/(decrease) in amounts due to directors  Cash generated from operations Income tax paid Interest paid  23,207 - 11,274 11,274 11,274 15,303 15,303 15,047 (192)  27,923 37,489 10,000 11,000 12,923 11,274	Decrease/(increase) in amount due from a director		5	(5)
Increase/(decrease) in accruals and other payables Increase/(decrease) in amounts due to directors  Cash generated from operations Income tax paid Interest paid  (15,237) (192)  5,303 (192)  27,923 (4,644) (8,220) (192)  (192)  (192)  (192)  (192)  (192)	Increase in amounts due to related parties		23,207	_
Increase/(decrease) in amounts due to directors         15,047         (192)           Cash generated from operations         27,923         37,489           Income tax paid         (4,644)         (8,220)           Interest paid         (2,238)         (477)	Increase in trade payables		52,213	11,274
Cash generated from operations         27,923         37,489           Income tax paid         (4,644)         (8,220)           Interest paid         (2,238)         (477)	Increase/(decrease) in accruals and other payables		(15,237)	5,303
Income tax paid       (4,644)       (8,220)         Interest paid       (2,238)       (477)	Increase/(decrease) in amounts due to directors		15,047	(192)
Income tax paid       (4,644)       (8,220)         Interest paid       (2,238)       (477)				
Interest paid (2,238) (477)	Cash generated from operations		27,923	37,489
	Income tax paid		(4,644)	(8,220)
Net cash inflow from operating activities 21,041 28,792	Interest paid		(2,238)	(477)
Net cash inflow from operating activities 21,041 28,792			04 044	60.700
	Net cash inflow from operating activities		21,041	28,792

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2006

		2006	2005
	Note	RMB'000	RMB'000
Investing activities			
Purchase of other intangible assets		(17)	_
Decrease in term deposit		18,852	_
Purchase of property, plant and equipment		(33,102)	(37,126)
Proceeds from disposal of property, plant and equipmer	nt	15,740	1,110
Purchase of leasehold land and land use right		(6,204)	_
Interest received		959	737
Acquisition of subsidiaries and businesses	32	(24,484)	(2,627)
Proceeds from disposal of investment properties		6,332	2,935
Net cash used in investing activities		(21,924)	(34,971)
Financing activities			
Contribution by minority shareholders		7,550	-
Share issuance expenses		-	(11,760)
Dividends paid		(33,730)	(40,762)
New long-term bank loans		17,999	-
New short-term bank loans		4,901	46,927
Repayment of short-term bank loans		(10,051)	(51,000)
Proceeds from share issuance		5,539	99,640
Net cash (used in)/generated from financing activities	es	(7,792)	43,045
Net (decrease)/increase in cash and cash equivalent	s	(8,675)	36,866
Cash and cash equivalents at beginning of year		74,616	37,750
Cash and cash equivalents at end of year	27	65,941	74,616