

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2006

	Note	2006 RMB'000	2005 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		77,510	72,667
Adjustments for:			
Depreciation		15,138	13,697
Amortisation of prepaid land lease payments		1,351	1,202
Amortisation of intangible assets		641	1,000
Impairment on intangible assets		—	400
Impairment on deferred expenses		—	1,577
Impairment on machinery and equipment		—	2,500
Finance costs		1,202	557
Interest income		(877)	(417)
Operating profit before working capital changes		94,965	93,183
Decrease / (Increase) in inventories		12,254	(33,705)
Increase in trade and other receivables		(33,953)	(3,812)
(Decrease) / Increase in trade and other payables		(2,199)	23,161
Cash generated from operations		71,067	78,827
Interest paid		(1,202)	(557)
Income tax paid		(19,411)	(8,029)
Net cash generated from operating activities		50,454	70,241
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment	25	(3,357)	(27,998)
Deposits for purchase of machinery and equipment		(11,774)	(13,604)
Refund related with deferred expenses		—	1,261
Prepayment for purchase of land use rights		—	(7,220)
Interest received		877	417
Net cash used in investing activities		(14,254)	(47,144)
CASH FLOWS FROM FINANCING ACTIVITIES			
Inception of new short-term bank loan		10,118	—
Net (repayment) / drawdown of trust receipt loans		(4,233)	20,809
Dividend paid		(17,303)	(17,700)
Net cash (used in) / generated from financing activities		(11,418)	3,109
NET INCREASE IN CASH AND CASH EQUIVALENTS		24,782	26,206
CASH AND CASH EQUIVALENTS AT 1 JANUARY		140,220	114,562
Effect of foreign exchange rate changes		716	(548)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER			
Bank and cash balances		165,718	140,220