

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2006

	2006 RMB'000	2005 RMB'000
<b>Operating activities</b>		
Profit before tax	97,604	76,978
Adjustments for:		
Allowance for inventories obsolescence	851	—
Depreciation of property, plant and equipment	4,619	3,912
Loss on disposal of property, plant and equipment	43	44
Release of prepaid lease payments	271	271
Interest income	(2,375)	(251)
Operating cash flows before movements in working capital	101,013	80,954
Increase in inventories	(12,370)	(4,743)
(Increase) decrease in trade and other receivables	(29,408)	3,054
Increase in trade and other payables	15,295	855
Increase in other tax liabilities	3,175	2,116
Cash generated from operations	77,705	82,236
Income taxes paid	(17,098)	(20,082)
<b>Net cash from operating activities</b>	<b>60,607</b>	<b>62,154</b>
<b>Investing activities</b>		
Interest received	2,375	251
Proceeds from disposal of property, plant and equipment	26	122
Purchases of property, plant and equipment	(6,374)	(8,078)
Prepaid lease payments made	(9,683)	—
<b>Net cash used in investing activities</b>	<b>(13,656)</b>	<b>(7,705)</b>
<b>Financing activities</b>		
Proceeds from issue of new shares	248,613	—
Expenses incurred in connection with the issue of shares	(10,012)	—
Dividends and distribution paid	(54,000)	(16,456)
<b>Net cash from (used in) financing activities</b>	<b>184,601</b>	<b>(16,456)</b>
<b>Net increase in cash and cash equivalents</b>	<b>231,552</b>	<b>37,993</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>69,382</b>	<b>31,389</b>
<b>Cash and cash equivalents at end of year</b>		
<b>Bank balances and cash</b>	<b>300,934</b>	<b>69,382</b>