

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2004

	2004	2003
	RMB'000	RMB'000
Cash flows from operating activities		
Profit before taxation	114,633	98,536
Adjustments for:		
Interest income	(1,027)	(696)
Interest expense	2,696	2,851
Depreciation and amortisation of property, plant and equipment	8,151	5,108
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Operating cash flows before movements in working capital	124,453	105,799
Increase in inventories	(2,903)	(4,578)
Increase in trade receivables	(19,326)	(1,019)
(Increase) decrease in other receivables, deposits and prepayments	(7,613)	1,688
Increase (decrease) in trade payables	2,719	(5,700)
Increase in bills payable	13,370	245
Increase in receipt in advance, other payables and accrued charges	1,383	339
Decrease in amounts due to directors	(288)	(1,851)
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Cash generated from operations	111,795	94,923
Interest paid	(2,602)	(2,851)
PRC Enterprise Income Tax paid	(21,637)	(20,461)
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Net cash from operating activities	87,556	71,611
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Cash flows from investing activities		
Deposits refunded (paid) for acquisition of property, plant and equipment	1,605	(32,283)
Interest received	1,027	696
Purchase of property, plant and equipment	(56,468)	(13,531)
Increase in pledged bank deposits	(3,517)	—
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Net cash used in investing activities	(57,353)	(45,118)
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For the year ended 31 December 2004

	2004	2003
	RMB'000	RMB'000
Cash flows from financing activities		
Proceeds from new issue and placing of shares	27,560	107,955
Expenses paid in connection with the issue of new shares	(1,522)	(14,211)
Dividend paid	(17,030)	(30,000)
Proceeds from issue of convertible notes	31,800	—
Bank loans raised	10,000	—
Bank loans repaid	(4,000)	(4,500)
Unsecured borrowings repaid	—	(1,420)
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Net cash from financing activities	46,808	57,824
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Net increase in cash and cash equivalents	77,011	84,317
Cash and cash equivalents at beginning of the year	164,212	79,895
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Cash and cash equivalents at end of the year representing bank balances and cash	241,223	164,212
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