

consolidated cash flow statement

First Natural Foods Holdings Limited • 2002 Annual Report

For the year ended 31 December

(Expressed in Renminbi)

Note	2002		2001	
	RMB'000	RMB'000	RMB'000	RMB'000
Operating activities				
Profit from ordinary activities before taxation	125,248		101,650	
Adjustments for:				
Depreciation	9,749		7,038	
Impairment loss on fixed assets	—		3,697	
Loss on disposal of fixed assets	—		15	
Long-term prepaid rentals	1,200		67	
(Write-back of provision)/provision for bad and doubtful debts	(277)		447	
Write-back of provision for interest on other loan	(1,909)		—	
Other finance costs	2,711		3,251	
Interest income	(1,052)		(321)	
Operating profit before changes in working capital	135,670		115,844	
(Increase)/decrease in inventories	(218)		14,177	
Decrease/(increase) in trade receivables, advance to suppliers, deposits, prepayments and other current assets	11,243		(3,172)	
(Decrease)/increase in trade payables, accruals and other payables	(8,066)		9,648	
Decrease in PRC value-added tax payable	—		(1,835)	
Increase in PRC urban real estate tax payable	594		594	
Increase in provision for staff welfare benefit	10,126		4,843	
Cash generated from operations	149,349		140,099	
Tax paid				
PRC enterprise income tax paid	(19,259)		(14,332)	
Net cash from operating activities		130,090		125,767
Investing activities				
Payment for purchase of fixed assets	(55,799)		(8,151)	
Payment for long-term prepaid rentals	(12,000)		(27,200)	
Payment for deposit for the acquisition of fixed assets	(5,300)		—	
Refund of long-term prepaid rentals	—		23,200	
Decrease in amount due from a director	—		3,338	
Decrease/(increase) in loan due from a related company	40,000		(40,000)	
Increase in bank deposits with original maturity over 3 months	(31,800)		—	
Interest received	1,052		321	
Net cash used in investment activities		(63,847)		(48,492)

consolidated cash flow statement (continued)

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	Note	2002		2001	
		RMB'000	RMB'000	RMB'000	RMB'000
Financing activities					
New short-term bank loans		34,500		34,500	
Repayment of short-term bank loans		(34,500)		(34,500)	
Decrease in loan payable		(1,300)		(54)	
Decrease in amount due to a related company		—		(2,273)	
Increase in amount due to a director		2,024		2,635	
Proceeds from issue of share capital		154,760		—	
Payment for share issuance expenses		(16,418)		—	
Interest paid		(2,711)		(3,251)	
Dividend paid		—		(75,610)	
Net cash from/(used in) financing activities			136,355		(78,553)
Increase/(decrease) in cash and cash equivalents			202,598		(1,278)
Cash and cash equivalents at 1 January			24,055		25,333
Cash and cash equivalent at 31 December	21		226,653		24,055

The notes on pages 28 to 55 form an integral part of this financial statements.