

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2003

	2003	2002
	RMB'000	RMB'000
Cash flows from operating activities		
Profit before taxation	98,536	87,280
Adjustments for:		
Interest income	(696)	(126)
Interest expense	2,851	3,255
Depreciation and amortisation of property, plant and equipment	5,108	4,721
Bad and doubtful debts	—	(53)
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Operating cash flows before movements in working capital	105,799	95,077
Increase in inventories	(4,578)	(1,768)
Increase in trade receivables	(1,019)	(39,129)
Decrease (increase) in other receivables, deposits and prepayments	1,688	(3,629)
Decrease in amount due from a director	—	3,370
(Decrease) increase in trade payables	(5,700)	13,177
Increase in bills payable	245	352
Increase in receipt in advance, other payables and accrued charges	339	5,585
Decrease in amounts due to directors	(1,851)	(1,660)
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Cash generated from operations	94,923	71,375
Interest paid	(2,851)	(3,255)
PRC Enterprise Income Tax paid	(20,461)	(7,660)
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Net cash from operating activities	71,611	60,460
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Cash flows from investing activities		
Interest received	696	126
Purchase of property, plant and equipment	(13,531)	(3,788)
Deposits paid for acquisition of property, plant and equipment	(32,283)	(3,122)
Investment in a subsidiary on Reorganisation	—	(30,178)
Increase in pledged bank deposits	—	(179)
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Net cash used in investing activities	(45,118)	(37,141)
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CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2003

	2003	2002
	RMB'000	RMB'000
Cash flows from financing activities		
Proceeds from new issue and placing of shares	107,955	—
Expenses paid in connection with the issue of new shares	(14,211)	—
Dividend paid	(30,000)	(25,965)
Bank loans repaid	(4,500)	—
Unsecured borrowings repaid	(1,420)	(612)
Issue of shares by a subsidiary for cash on Reorganisation	—	30,178
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Net cash from financing activities	57,824	3,601
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Net increase in cash and cash equivalents	84,317	26,920
Cash and cash equivalents at beginning of the year	79,895	52,975
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Cash and cash equivalents at end of the year representing bank balances and cash	164,212	79,895
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