

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2003

(Expressed in Renminbi)

	Note	2003		2002	
		RMB'000	RMB'000	RMB'000	RMB'000
Operating activities					
Profit from ordinary activities before taxation		149,845		125,248	
Adjustments for:					
Depreciation		11,976		9,749	
Long-term prepaid rentals		7,687		1,200	
Provision/(write-back) of provision for bad and doubtful debts		266		(277)	
Write-back of provision for interest on other loan		—		(1,909)	
Finance costs		13,523		2,711	
Interest income		(1,589)		(1,052)	
Operating profit before changes in working capital		181,708		135,670	
Increase in inventories		(10,578)		(218)	
(Increase)/decrease in trade receivables, advance to suppliers, deposits, prepayments and other current assets		(11,988)		11,243	
Increase/(decrease) in trade payables, accruals and other payables		2,067		(7,472)	
(Decrease)/increase in provision for staff welfare benefit		(351)		10,126	
Cash generated from operations		160,858		149,349	
Tax paid					
PRC enterprise income tax paid		(35,715)		(19,259)	
Net cash from operating activities			125,143		130,090
Investing activities					
Payment for purchase of fixed assets		(25,866)		(55,799)	
Payment for long-term prepaid rentals		(21,420)		(12,000)	
Decrease/(increase) in bank deposits with original maturity over 3 months		31,800		(31,800)	
Payment for deposit for the acquisition of fixed assets		—		(5,300)	
Decrease in loan due from a related company		—		40,000	
Interest received		1,589		1,052	
Net cash used in investment activities			(13,897)		(63,847)

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Year ended 31 December 2003

(Expressed in Renminbi)

	Note	2003		2002	
		RMB'000	RMB'000	RMB'000	RMB'000
Financing activities					
New short-term bank loans		111,725		34,500	
Repayment of short-term bank loans		(41,500)		(34,500)	
Decrease in loan payable		—		(1,300)	
(Decrease)/increase in amount due to a director		(465)		2,024	
Proceeds from issue of share capital		7,809		154,760	
Proceeds from issue of coupon bonds		37,206		—	
Payment for share issuance expenses		—		(16,418)	
Finance costs paid		(12,768)		(2,711)	
Dividend paid		(25,440)		—	
Net cash from financing activities			76,567		136,355
Increase in cash and cash equivalents			187,813		202,598
Cash and cash equivalents at 1 January			226,653		24,055
Cash and cash equivalents at 31 December	20		414,466		226,653

The notes on pages 28 to 59 form an integral part of this financial statements.