

# Consolidated Cash Flow Statement

For the year ended 30 April 2004

	2004 RMB'000	2003 RMB'000
<b>Cash flows from operating activities</b>		
Profits before taxation	178,670	132,793
Income from negative goodwill	(451)	(452)
Amortisation of long-term prepaid rental	16,084	13,009
Depreciation	7,034	2,591
Loss on disposal of property, plant and equipment	28	6
Revaluation (surplus)/deficit	(325)	561
Interest income	(598)	(119)
Interest expenses	1	–
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Operating profit before working capital changes	200,443	148,389
Increase in inventories	(2,922)	(2,698)
Increase in accounts receivables	(7,442)	(8,229)
Increase in short term prepaid rental	(105)	(167)
Increase in prepayment, deposits and other receivable	(22,096)	(15,160)
Increase in due to a director	2,952	569
Increase/(decrease) in accounts payable and accrued expenses	3,720	(2,108)
Increase in other deposits received	–	10
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<b>Net cash from operation</b>	174,550	120,606
PRC enterprises income tax paid	(5,893)	(34)
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<b>Net cash from operating activities</b>	168,657	120,572
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<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(45,489)	(47,830)
Payment of long-term prepaid rental	(16,800)	(37,680)
Proceeds from disposal of property, plant and equipment	–	4
Interest received	598	119
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<b>Net cash used in investing activities</b>	(61,691)	(85,387)
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The notes on pages 31 to 57 form an integral part of these financial statements.

# Consolidated Cash Flow Statement

For the year ended 30 April 2004

	2004 RMB'000	2003 RMB'000
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	234,048	–
Share issuance expenses	(25,330)	–
Advances from a shareholder	–	106
Interest paid	(1)	–
<b>Net cash from financing activities</b>	<b>208,717</b>	106
<b>Effect of foreign exchange rate changes</b>	<b>232</b>	–
<b>Net increase in cash and cash equivalents</b>	<b>315,915</b>	35,291
<b>Cash and cash equivalents at beginning of year</b>	<b>37,646</b>	2,355
<b>Cash and cash equivalents at end of year</b>	<b>353,561</b>	37,646
<b>Analysis of the balances of cash and cash equivalents</b>		
Bank balances and cash	353,561	37,646

The notes on pages 31 to 57 form an integral part of these financial statements.