

# Consolidated Cash Flow Statement

For the year ended 31 December 2004

	2004	2003
	RMB'000	RMB'000
<b>Operating activities</b>		
Profit before taxation	280,809	185,082
Adjustments for:		
Interest income	(790)	(177)
Depreciation and amortisation of property, plant and equipment	22,284	21,956
Exchange difference	379	—
Loss on disposal of property, plant and equipment	494	400
Operating cash flows before movements in working capital	303,176	207,261
Decrease (increase) in inventories	28,148	(8,692)
(Increase) decrease in trade and other receivables	(142,816)	31,291
(Increase) decrease in amounts due from related companies	(115)	2,050
Increase (decrease) in trade and other payables	57,369	(38,365)
(Decrease) increase in amounts due to related companies	(908)	908
Cash generated from operations	244,854	194,453
PRC income tax paid	(13,928)	(25,106)
Net cash from operating activities	230,926	169,347
<b>Investing activities</b>		
Purchase of property, plant and equipment	(22,364)	(25,452)
Interest received	790	177
Net cash used in investing activities	(21,574)	(25,275)
<b>Financing activities</b>		
Proceeds from new issue of shares less issue expenses	1,006,788	—
Net cash advanced from a shareholder	147,358	—
Net decrease in amounts due to Shineway Medical and Shineway Lang Fang	(479,851)	(123,224)
Dividend paid	(32,044)	(74,814)
Capital contributed by minority shareholders	—	10,000
Net cash from (used in) financing activities	642,251	(188,038)
Net increase (decrease) in cash and cash equivalents	851,603	(43,966)
Cash and cash equivalents at beginning of the year	294,989	338,955
Cash and cash equivalents at end of the year, representing bank balances and cash	1,146,592	294,989