



Consolidated Cash Flow Statement

For the year ended 31 December 2004

	2004	2003
	RMB	RMB
OPERATING ACTIVITIES		
Profit before taxation	29,984,115	27,017,329
Adjustments for:		
Depreciation of property, plant and equipment	1,924,512	1,797,748
Amortisation of intangible assets	718,078	640,468
Bad debt allowance	141,349	—
Inventory write-off	162,393	56,536
Gain on disposal of property, plant and equipment	(223)	41,740
Gain on disposal of interest in an associate	(333,494)	—
Share of result of an associate	59,224	234,270
Interest income	(147,878)	(333,873)
Interest expense	—	154,292
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Operating cash flows before movements in working capital	32,508,076	29,608,510
(Increase) decrease in inventories	(475,751)	7,320,549
Increase in trade receivables	(3,896,661)	(25,138,356)
Decrease in notes receivable	4,914,439	5,544,130
Increase in prepayment, deposits and other receivables	(1,590,170)	(1,324,286)
Increase in amount due from a related company	(3,559,739)	—
Increase in trade payables	5,396,323	4,407,205
(Decrease) increase in advance from customers, accrued charges and other payables	(626,344)	1,275,861
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Cash generated from operations	32,670,173	21,693,613
Interest received	147,878	333,873
Interest paid	—	(154,292)
PRC enterprise income tax paid	(310,310)	(1,003,321)
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Net cash from operating activities	32,507,741	20,869,873

Consolidated Cash Flow Statement



For the year ended 31 December 2004

	2004	2003
	RMB	RMB
INVESTING ACTIVITIES		
Decrease (increase) in amounts due from related parties	24,660,080	(24,660,080)
Purchase of property, plant and equipment	(1,352,297)	(2,435,183)
Proceeds on disposal of property, plant and equipment	126,642	—
Expenditure on software development	(2,554,532)	(1,077,195)
Purchase of investments in securities	—	(5,600,000)
Acquisition of interest in an associate	—	(510,000)
Proceeds from disposal of interest in an associate	550,000	—
Proceeds from disposal of property, plant and equipment	—	90,000
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Net cash from (used in) investing activities	21,429,893	(34,192,458)
FINANCING ACTIVITIES		
Dividend paid	(29,000,000)	—
(Decrease) increase in amounts due to related parties	(28,622,856)	9,852,272
Net proceeds from issue of shares	42,930,011	—
Proceeds from additional capital injection into a subsidiary from its then shareholders	9,391,600	—
Repayment of bank borrowings	—	(5,000,000)
Decrease in amounts due from related parties	—	16,113,291
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Net cash (used in) from financing activities	(5,301,245)	20,965,563
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Net increase in cash and cash equivalents	48,636,389	7,642,978
Effect of foreign exchange rate changes on cash and cash equivalents	58,699	—
Cash and cash equivalents at beginning of the year	42,258,310	34,615,332
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Cash and cash equivalents at end of the year, representing bank balances and cash	90,953,398	42,258,310
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