

Consolidated Cash Flow Statement

For the year ended 31st December, 2002

	2002 RMB'000	2001 RMB'000
OPERATING ACTIVITIES		
Profit before taxation	125,903	102,374
Adjustments for:		
Depreciation and amortisation of property, plant and equipment	21,423	16,080
(Reversal of) impairment loss in respect of property, plant and equipment	(4,600)	4,600
(Surplus) deficit arising on revaluation of property, plant and equipment	(666)	3,905
Loss on deemed disposed of a partial interest in a subsidiary	196	–
Loss on disposal of property, plant and equipment	64	555
Amortisation of patents and trademarks	582	194
Amortisation of negative goodwill	(476)	–
Interest income	(1,485)	(2,868)
Interest expense	17,900	14,291
Operating cash flows before movements in working capital	158,841	139,131
Increase in inventories	(39,681)	(11,897)
Increase in trade and other receivables	(69,555)	(73,879)
Increase in amounts due from related companies	(3,701)	(3,139)
Increase in trade and other payables	13,561	30,178
(Decrease) increase in amounts due to related companies	(5,683)	4,110
Cash generated from operations	53,782	84,504
PRC income tax refund	2,857	6,000
Interest paid	(17,900)	(14,291)
NET CASH FROM OPERATING ACTIVITIES	38,739	76,213
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(82,236)	(70,392)
Increase in pledged deposits	(4,662)	(1,516)
Increase in amounts due from directors	(264)	(366)
Interest received	1,485	2,868
Proceeds from disposal of property, plant and equipment	5,969	–
NET CASH USED IN INVESTING ACTIVITIES	(79,708)	(69,406)

Consolidated Cash Flow Statement

For the year ended 31st December, 2002

	2002 RMB'000	2001 RMB'000
FINANCING ACTIVITIES		
Repayment of bank and other borrowings	(228,629)	(145,220)
Dividend paid	(30,499)	(29,526)
New bank and other borrowings raised	267,700	206,220
Net proceeds from issue of shares	78,770	–
Funds contributed by minority shareholders	1,500	–
NET CASH FROM FINANCING ACTIVITIES	<u>88,842</u>	<u>31,474</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	47,873	38,281
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>95,030</u>	<u>56,749</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	<u><u>142,903</u></u>	<u><u>95,030</u></u>