

Consolidated Financial Statements

Consolidated Cash Flow Statement

Year ended 31 December 2003

	<i>Notes</i>	2003 RMB'000	2002 <i>RMB'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		112,424	100,598
Adjustments for:			
Interest expense	6	809	521
Interest income	4	(770)	(140)
Loss on disposal of property, plant and equipment	5	128	177
Depreciation	5	6,097	5,186
Amortization of deferred development costs	5	566	258
Amortization of land-use-rights	5	212	103
Gain on disposal of equity interest in a related company		—	(40)
Operating profit before working capital changes		119,466	106,663
(Increase)/decrease in inventories		250	(33,850)
Increase in trade and notes receivables		(85,376)	(24,304)
(Increase)/decrease in prepayments, deposits and other receivables		(1,889)	1,396
Increase in trade and notes payables		65,158	43,231
Increase/(decrease) in other payables and accruals		105	(6,822)
Decrease in amounts due to directors		—	(5,112)
Cash generated from operations		97,714	81,202
Income tax paid		(8,770)	—
Net cash inflow from operating activities		88,944	81,202

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Consolidated Cash Flow Statement (Cont'd)

Year ended 31 December 2003

	Notes	2003 RMB'000	2002 RMB'000
Net cash inflow from operating activities		88,944	81,202
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received from matured time deposits with original maturity of more than three months		828	28,177
New time deposits with original maturity of more than three months		—	(828)
Purchases of property, plant and equipment		(59,792)	(36,814)
Proceeds from disposal of property, plant and equipment		138	1,006
Additions of deferred development costs		(4,671)	(1,632)
Additions of land-use rights		(5,200)	—
Purchases of an available-for-sale investment		—	(6,630)
Proceeds from disposal of an available-for-sale investment		—	6,670
Interest income		770	158
Net cash used in investing activities		(67,927)	(9,893)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	24	170,306	—
Share issue expenses		(15,020)	—
New bank loans		31,000	20,000
Repayment of bank loans		(31,000)	(43,800)
Interest paid		(897)	(555)
Dividend paid		(82,005)	(26,207)
Dividend paid to minority shareholders		(355)	—
New loans from shareholders		—	10,330
Net cash inflow/(outflow) from/(used in) financing activities		72,029	(40,232)
NET INCREASE IN CASH AND CASH EQUIVALENTS		93,046	31,077
Cash and cash equivalents at beginning of year		41,475	10,398
CASH AND CASH EQUIVALENTS AT END OF YEAR		134,521	41,475
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	61,706	41,475
Non-pledged time deposits with original maturity of less than three months when acquired	21	72,815	—
		134,521	41,475