

Consolidated Cash Flow Statement

Year ended 31 December 2004

	Notes	2004 RMB'000	2003 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		86,412	112,424
Adjustments for:			
Interest expenses	7	—	809
Interest income	5	(1,165)	(770)
Dividend income from short term investments	5	(110)	—
Loss on disposal of property, plant and equipment	6	1,427	128
Depreciation	6	12,389	6,097
Amortisation of deferred development costs	6	742	566
Amortisation of land use rights	6	306	212
Gain on disposal of short term investments	6	(105)	(8)
Unrealised loss on revaluation of short term investments	6	247	—
Operating profit before working capital changes		100,143	119,458
(Increase)/decrease in inventories		(30,424)	250
Increase in trade and notes receivables		(82,213)	(85,376)
Increase in prepayments, deposits and other receivables		(1,533)	(1,889)
Increase in trade and notes payables		91,305	65,158
Increase in other payables and accruals		2,432	105
Cash generated from operations		79,710	97,706
Income tax paid		(5,970)	(8,770)
Net cash inflows from operating activities		73,740	88,936

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Year ended 31 December 2004

	Notes	2004 RMB'000	2003 RMB'000
Net cash inflows from operating activities		73,740	88,936
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received from matured time deposits with original maturity of more than three months		—	828
Dividends received from short term investments		110	—
Purchases of property, plant and equipment		(63,964)	(59,792)
Proceeds from disposal of property, plant and equipment		281	138
Additions of deferred development costs		(3,616)	(4,671)
Addition of land use rights		—	(5,200)
Purchases of short term investments		(4,572)	(20)
Proceeds from disposal of short term investments		3,832	28
Interest received		939	770
Net cash flows used in investing activities		(66,990)	(67,919)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		—	170,306
Share issue expenses		—	(15,020)
New bank loans		—	31,000
Repayment of bank loans		—	(31,000)
Interest paid		—	(897)
Dividend paid		(42,600)	(82,005)
Dividend paid to minority shareholders		(289)	(355)
Net cash flows (used in) / from financing activities		(42,889)	72,029
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(36,139)	93,046
Cash and cash equivalents at beginning of year		134,521	41,475
CASH AND CASH EQUIVALENTS AT END OF YEAR		98,382	134,521
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	24	45,174	61,706
Non-pledged time deposits with original maturity of less than three months when acquired	24	53,208	72,815
		98,382	134,521