

## Cash Flow Statement

For the year ended 31st December, 2004

	2004 RMB'000	2003 RMB'000
<b>OPERATING ACTIVITIES</b>		
Profit from operations	<b>797,523</b>	485,918
Adjustments for:		
Depreciation and amortisation of property, plant and equipment	<b>54,534</b>	31,105
Amortisation of intangible assets	<b>72,595</b>	5,185
Loss on disposal of property, plant and equipment	<b>1,266</b>	6,775
Allowance for bad and doubtful debts	<b>17,244</b>	11,566
Operating cash flows before movements in working capital	<b>943,162</b>	540,549
Increase in inventories	<b>(149,244)</b>	(49,254)
Increase in trade debtors	<b>(274,566)</b>	(206,164)
Decrease (increase) in bills receivable	<b>219,920</b>	(273,517)
Increase in deposits, prepayments and other debtors	<b>(63,296)</b>	(31,545)
Increase in trade creditors	<b>844,958</b>	80,891
(Decrease) increase in bills payable	<b>(214,503)</b>	915,307
Increase in other creditors and accruals	<b>204,613</b>	91,136
Cash generated from operations	<b>1,511,044</b>	1,067,403
Tax paid	<b>(121,753)</b>	(74,396)
Interest paid	<b>(53,159)</b>	(30,425)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>1,336,132</b>	962,582
<b>INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	<b>(655,661)</b>	(177,500)
Increase in deposits paid for acquisition of property, plant and equipment	<b>(247,372)</b>	(110,783)
Purchases of investment securities	<b>(20,000)</b>	—
Decrease (increase) in pledged bank deposits	<b>57,133</b>	(391,578)
Proceeds from disposal of property, plant and equipment	<b>312</b>	5,185
Amounts advanced to related parties	—	(160,229)
Amounts repaid from related parties	—	164,316
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(865,588)</b>	(670,589)



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For the year ended 31st December, 2004

	<b>2004</b>	2003
	<b>RMB'000</b>	RMB'000
FINANCING ACTIVITIES		
Dividends paid	<b>(72,075)</b>	(20,439)
Net proceeds from issue of shares	<b>1,215,416</b>	—
Amount repaid to a related party	<b>(67,409)</b>	(72,598)
Amount advanced from a related party	<b>21,245</b>	3,260
New bank borrowings raised	<b>20,000</b>	151,720
Repayments of bank borrowings	<b>(151,720)</b>	(151,720)
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES	<b>965,457</b>	(89,777)
NET INCREASE IN CASH AND CASH EQUIVALENTS	<b>1,436,001</b>	202,216
CASH AND CASH EQUIVALENTS AT 1ST JANUARY	<b>338,219</b>	136,003
CASH AND CASH EQUIVALENTS AT 31ST DECEMBER, REPRESENTED BY BANK BALANCES AND CASH	<b>1,774,220</b>	338,219