



# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2004

	2004 RMB'000	2003 RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	74,768	76,509
Adjustments for:		
Depreciation of property, plant and equipment	10,780	5,311
Amortisation of intangible assets	1,000	500
Provision for inventories obsolescence	2,000	—
Interest expenses	114	4
Bank interest income	(344)	(775)
Operating profit before working capital changes	88,318	81,549
Increase in deferred expenditure	(2,838)	—
Increase in inventories	(15,478)	(2,991)
Decrease in value-added tax receivable	10,159	5,628
Increase in trade and other receivables	(57,338)	(15,757)
Increase/(Decrease) in trade and other payables	6,235	(4,163)
Increase in value-added tax payable	3,324	—
Cash generated from operations	32,382	64,266
Interest paid	(114)	(4)
Interest received	344	775
PRC enterprise income tax paid	(8,964)	(5,160)
Net cash from operating activities	23,648	59,877
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	(86,734)	(75,410)
Receipt of held-to-maturity security	1,064	—
Acquisition of intangible assets	—	(5,000)
Net cash used in investing activities	(85,670)	(80,410)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares upon placing	58,488	—
Proceeds from issuance of shares upon exercising share options	1,846	—
Shares issuance expenses	(1,378)	—
Advance from a related company	1,138	—
Repayment of amount due to directors	(3,491)	—
Dividends paid	(19,733)	(12,790)
Net cash inflow/(outflow) from financing activities	36,870	(12,790)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(25,152)	(33,323)
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	139,665	172,988
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	49	—
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>		
Cash and bank balances	114,562	139,665

The notes on pages 33 to 53 form an integral part of these financial statements.