

Consolidated Cash Flow Statement

For the year ended 30th June, 2003
(Expressed in Chinese Renminbi)

	2003		2002	
	RMB'000	RMB'000	RMB'000	RMB'000
Operating activities				
Profit from ordinary activities before taxation	87,033		79,260	
Adjustments for:				
Depreciation	9,139		7,894	
Deficit on revaluation of land and buildings	752		—	
Share of profits less losses of associates	(793)		—	
Finance costs	2,567		3,567	
Interest income	(614)		(80)	
Write-back of provision for obsolete and slow-moving inventories	—		(954)	
(Write-back of provision)/provision for bad and doubtful debts	(2,460)		1,970	
Bad debts written off	2,363		2,167	
Write-off of long outstanding creditors	(204)		(1,459)	
Gain on disposal of fixed assets	—		(126)	
Operating profit before changes in working capital	97,783		92,239	
(Increase)/decrease in inventories	(784)		2,274	
Decrease/(increase) in debtors, deposits and prepayments	3,888		(34,101)	
Increase in creditors and accrued charges	1,962		1,503	
Increase in other tax payables	9,730		361	
Cash generated from operations	112,579		62,276	
Tax paid				
PRC enterprise income tax paid	(8,915)		(6,725)	
PRC enterprise income tax refunded	3,899		—	
Net cash from operating activities		107,563		55,551
Investing activities				
Decrease/(increase) in deposits for purchase of machinery	24,986		(28,683)	
Payment for purchase of fixed assets	(25,038)		(4,997)	
Proceeds from sale of fixed assets	—		266	
Payment for purchase of associates	(47,000)		—	
Decrease/(increase) in amount due from a minority shareholder	1,325		(1,325)	
Decrease in amounts due from directors	—		142	
Increase in pledged bank deposits	(5,350)		—	
Interest received	614		80	
Net cash used in investing activities		(50,463)		(34,517)



Consolidated Cash Flow Statement *(continued)*

For the year ended 30th June, 2003
(Expressed in Chinese Renminbi)

	2003		2002	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Financing activities				
Proceeds from issuance of share capital	—		71,285	
Payment for share issuance expenses	—		(4,281)	
Proceeds from new short-term bank loans	27,300		33,000	
Repayment of short-term bank loans	(18,500)		(35,000)	
Repayment of long-term bank loans	—		(7,000)	
Repayment to related companies	—		(14,823)	
Proceeds from advances from a director	1,227		331	
Interest paid	(2,567)		(3,567)	
Dividend paid	(12,803)		—	
Net cash (used in)/from financing activities		(5,343)		39,945
Net increase in cash and cash equivalents		51,757		60,979
Cash and cash equivalents at 1st July		124,351		63,372
Cash and cash equivalents at 30th June		176,108		124,351

The notes on pages 33 to 66 form part of these financial statements.