

Consolidated Cash Flow Statement

*For the year ended 30 June 2005
(Expressed in Renminbi)*

Note	2005 RMB'000	2004 RMB'000 (restated)
Operating activities		
Profit from ordinary activities before taxation	105,092	103,356
Adjustments for:		
— Depreciation	16,124	10,205
— Amortisation of interest in leasehold land held for own used under operating lease	131	131
— Share of profits less losses of associates	(6,655)	(2,683)
— Interest expenses	8,128	7,043
— Interest element of finance lease	659	—
— Interest income	(2,642)	(1,823)
— Provision for bad and doubtful debts	3,513	5,800
— Bad debts written off	743	162
— Write-off of long outstanding creditors	—	(103)
— Loss on disposal of fixed assets	—	92
— Loss derived from trading securities	8	—
— Loss on disposal of associates	5,065	—
— Employee share option benefits	1,496	—
Operating profit before changes in working Capital	131,662	122,180
Increase in inventories	(9,163)	(3,884)
Increase in trade and other receivables	(35,603)	(38,139)
Increase in trade and other payables	47,280	951
Cash generated from operations	134,176	81,108
Tax paid		
— PRC enterprise income tax paid	(21,209)	(17,048)
— PRC enterprise income tax refunded	—	7,726
Net cash from operating activities	112,967	71,786

Consolidated Cash Flow Statement

For the year ended 30 June 2005
(Expressed in Renminbi)

	Note	2005 RMB'000	2004 RMB'000 (restated)
Investing activities			
Decrease/(increase) in deposits for purchase of fixed assets		49,451	(53,852)
Payment for purchase of fixed assets		(102,000)	(17,142)
Proceeds from sale of fixed assets		—	3,000
Proceeds from disposal of associates		52,000	—
Repayment from/(new loan to) an independent third party		30,000	(30,000)
Decrease in pledged bank deposits		—	21
Payment of trading securities		(200)	—
Interest received		2,642	1,823
Net cash generated from/(used in) investing activities		31,893	(96,150)
Financing activities			
Proceeds from new bank loans		85,915	128,176
Repayment of short-term bank loans		(70,300)	(41,800)
Proceeds from finance lease		19,738	—
Capital element of finance lease rentals paid		(6,756)	—
Interest element of finance lease rentals paid		(659)	—
(Decrease)/increase in amount due to a director		(711)	10,749
Interest paid		(8,121)	(7,043)
Dividend paid		(17,349)	(17,410)
Dividend paid to minority shareholders of subsidiaries		(837)	—
Net proceeds from the issue of convertible bonds		81,108	—
Proceeds from shares issued under share option scheme		—	8,438
Proceeds from shares issued under private placement		—	84,588
Payment for share issuance expenses		—	(3,415)
Net cash generated from financing activities		82,028	162,283
Net increase in cash and cash equivalents		226,888	137,919
Cash and cash equivalents at 1 July		314,027	176,108
Cash and cash equivalents at 30 June	20	540,915	314,027

The notes on pages 37 to 91 form part of these financial statements.