

Consolidated Cash Flow Statement

For the year ended 30 June 2006
(Expressed in Renminbi)

Note	2006 RMB'000	2005 RMB'000
Operating activities		
Profit before taxation	129,312	105,092
Adjustments for:		
— Depreciation	18,953	16,124
— Amortisation of interest in leasehold land held for own used under operating lease	276	131
— Share of profits less losses of associates	—	(6,655)
— Interest expense	18,056	8,128
— Interest element of finance lease	1,217	659
— Interest income	(6,272)	(2,642)
— Impairment losses of trade and other receivables	2,087	3,513
— Reversal of impairment losses of trade and other receivables	(2,940)	—
— Bad debts written off	—	743
— Fair value adjustment of derivatives liabilities	13,966	—
— Foreign exchange gain	(733)	—
— (Gain)/loss derived from trading securities	(10)	8
— Loss on disposal of associates	—	5,065
— Employee share option benefits	—	1,496
Operating profit before changes in working capital	173,912	131,662
Increase in inventories	(7,227)	(9,163)
Increase in trade and other receivables	(59,192)	(35,603)
Increase in trade and other payables	43,205	47,280
Cash generated from operations	150,698	134,176
Tax paid		
— PRC enterprise income tax paid	(22,616)	(21,209)
Net cash from operating activities	128,082	112,967

Consolidated Cash Flow Statement

*For the year ended 30 June 2006
(Expressed in Renminbi)*

Note	2006 RMB'000	2005 RMB'000
Investing activities		
Decrease in deposits for purchase of property, plant and equipment	7,358	49,451
Payment for purchase of property, plant and equipment	(155,583)	(102,000)
Payment for purchase of land use rights	(15,239)	—
Proceeds from disposal of associates	—	52,000
Repayment from an independent third party	—	30,000
Decrease in pledged bank deposits	5,329	—
Payment for purchase of trading securities	(208)	(200)
Proceeds from disposal of trading securities	308	—
Interest received	6,272	2,642
Net cash generated from investing activities	(151,763)	31,893
Financing activities		
Proceeds from new bank loans	247,195	85,915
Repayment of short-term bank loans	(160,657)	(70,300)
Proceeds from finance leases	12,133	19,738
Capital element of finance lease rentals paid	(11,612)	(6,756)
Interest element of finance lease rentals paid	(1,217)	(659)
Increase/(decrease) in amount due to a director	3,132	(711)
Interest paid	(13,162)	(8,121)
Dividend paid	(17,022)	(17,349)
Dividend paid to minority shareholders of subsidiaries	(876)	(837)
Net proceeds from the issue of convertible bonds	—	81,108
Net cash generated from financing activities	57,914	82,028
Net increase in cash and cash equivalents	34,233	226,888
Cash and cash equivalents at 1 July	540,915	314,027
Effect of foreign exchange rate changes	(2,345)	—
Cash and cash equivalents at 30 June	572,803	540,915

The notes on pages 38 to 91 form part of these financial statements.