

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2005
(Expressed in Renminbi)

| | 2005 RMB'000 | 2004 RMB'000 |
|--|------------------|------------------|
| Operating activities | | |
| Profit from ordinary activities before taxation | 196,787 | 100,827 |
| Adjustments for: | | |
| Finance costs | 5,125 | 2,983 |
| Interest income | (291) | (27) |
| Depreciation | 26,062 | 16,275 |
| (Write-back of provision)/provision for doubtful debts | (70) | 1,338 |
| Operating profit before changes in working capital | 227,613 | 121,396 |
| Increase in inventories | (1,588) | (82) |
| Increase in trade receivables | (203) | (6,437) |
| Increase in prepayments and other receivables | (15,829) | (2,943) |
| Increase in trade payables | 531 | 1,413 |
| Increase in deposits received and receipts in advance | 676 | 768 |
| Increase in accruals and other payable | 5,413 | 9,489 |
| Net cash generated from operations | 216,613 | 123,604 |
| Tax paid | | |
| PRC income tax paid | (11,694) | (14,434) |
| Net cash generated from operating activities | 204,919 | 109,170 |
| Investing activities | | |
| Payments for purchases of fixed assets | (3,933) | (4,007) |
| Payments for acquisition of construction in progress | (358,177) | (93,383) |
| Payment for deposits for purchases and construction of fixed assets | (9,901) | (15,127) |
| Receipt of amount previously paid in respect of cancellation of purchase of a property | 15,127 | — |
| Interest received | 291 | 27 |
| Net cash used in investing activities | (356,593) | (112,490) |
| Financing activities | | |
| New bank loans raised | 91,000 | — |
| Repayment of bank loans | (13,400) | (10,000) |
| Proceeds from issuance of convertible notes | 16,536 | 16,536 |
| Increase in other loan payable | — | 24,804 |
| Proceeds from issuance of shares of a subsidiary | — | 2 |
| Proceeds from issuance of shares under placing, public offer and exercise of over-allotment option | 377,890 | — |
| Payment of share issue expenses | (33,801) | — |
| (Decrease)/increase in amount due to a director | (2,248) | 260 |
| Interest paid | (4,545) | (2,983) |
| Net cash generated from financing activities | 431,432 | 28,619 |
| Net increase in cash and cash equivalents for the year | 279,758 | 25,299 |
| Cash and cash equivalents at 1 April | 33,781 | 8,482 |
| Cash and cash equivalents at 31 March | 313,539 | 33,781 |

The notes on pages 39 to 66 form part of these financial statements.