

Consolidated cash flow statement

For the year ended 31 March 2005

(RMB'000)	2005	2004
Cash flows from operating activities		
Profit before taxation and minority interests	284,969	197,244
Adjustments for:		
Depreciation of property, plant and equipment	11,325	8,233
Reversal of provision for obsolete inventories	—	(3,525)
Provision for obsolete inventories	2,849	—
Amortisation of goodwill	993	—
Release of negative goodwill on acquisition of interest in an associate	(1,970)	—
Share of profits of an associate	(13,811)	—
Amortisation of loan arrangement fee	2,229	—
Redemption premium on convertible bonds	3,874	—
Interest expenses	21,341	13,363
Interest income	(4,595)	(1,418)
Operating profit before working capital changes	307,204	213,897
Decrease in inventories	12,517	63,466
Increase in trade receivables	(66,823)	(28,508)
Increase in prepayments and other receivables	(69,988)	(68,615)
Decrease in due from a director	36	317
Decrease/(Increase) in due from related companies	7,149	(11,046)
(Decrease)/Increase in notes payable	(20,000)	20,000
Increase/(Decrease) in trade payables	51,246	(470)
Increase in due to directors	2,983	210
Increase/(Decrease) in due to a related company	106	(201)
Increase/(Decrease) in accruals and other payables	14,285	(3,056)
Cash generated from operations	238,715	185,994
Interest received	4,595	1,418
PRC enterprises income tax paid	(27,747)	(6,302)
Value-added tax paid, net	(60,080)	(4,372)
Net cash inflow from operating activities	155,483	176,738

(RMB'000)	2005	2004
Cash flows from investing activities		
Purchases of property, plant and equipment	(345,180)	(284,830)
Acquisition of a subsidiary	(20,140)	—
Acquisition of an associate	(192,560)	—
Advances from an associate	16	—
Net cash used in investing activities	(557,864)	(284,830)
	(402,381)	(108,092)
Cash flows from financing activities		
Capital elements of finance lease payments	(3,653)	—
Proceeds from new short-term borrowings	216,800	330,000
Repayment of short-term borrowings	(330,000)	(380,000)
Net proceeds from issuance of shares	243,060	296,377
Net proceeds from issuance of convertible bonds	320,922	—
Net proceeds from non-current borrowings	438,246	—
Dividend paid	(49,497)	(24,700)
Interest paid	(21,341)	(13,363)
Capital injection from a minority shareholder	17,170	3,030
Dividend paid to a minority shareholder	(500)	(3,800)
Net cash inflow from financing activities	831,207	207,544
Net increase in cash and cash equivalents	428,826	99,452
Exchange difference arising on translation of overseas operations	(729)	1,152
Cash and cash equivalents at the beginning of the year	326,821	226,217
Cash and cash equivalents at the end of the year	754,918	326,821
Analysis of cash and bank balances		
Cash and bank balances (excluding pledged bank deposits)	738,287	318,714
Pledged bank deposits	16,631	8,107
	754,918	326,821