

# Consolidated Cash Flow Statement

For the year ended 31 March 2006

	2006	2005 (restated)
<b>(RMB'000)</b>		
<b>Cash Flow from Operating Activities</b>		
Profit before taxation	382,164	283,182
Adjustments for:		
Depreciation of property, plant and equipment	22,794	10,237
Amortisation of prepaid land lease payments	1,248	1,088
Allowance for obsolete inventories	—	2,849
Amortisation of goodwill	—	993
Release of negative goodwill of interest in an associate	—	(1,970)
Share of profits of an associate	(42,755)	(12,024)
Amortisation of loan arrangement fee	10,315	2,229
Redemption premium on convertible bonds	13,879	3,874
Interest expenses	41,223	21,354
Interest income	(9,507)	(4,595)
Operating profit before working capital changes	419,361	307,217
(Increase)/Decrease in inventories	(12,004)	12,517
Increase in trade receivables	(208,744)	(66,823)
Decrease/(Increase) in prepayments and other receivables	4,712	(69,988)
Decrease in due from a director	—	36
Decrease in due from related companies	2,377	7,149
Increase in pledged bank deposits	(39)	(8,524)
Decrease in notes payable	—	(20,000)
(Decrease)/Increase in trade payable	(20,953)	51,246
(Decrease)/Increase in due to directors	(2,832)	2,983
(Decrease)/Increase in due to a related company	(106)	106
Increase in accruals and other payables	26,335	14,285
Cash generated from operations	208,107	230,204
Interest received	9,507	4,595
PRC enterprises income tax paid	(28,209)	(27,747)
Value-added tax paid, net	(9,627)	(60,080)
Net cash from operating activities	179,778	146,972
<b>Cash Flow from Investing Activities</b>		
Purchases of property, plant and equipment	(76,490)	(345,180)
Acquisition of a subsidiary	—	(20,140)
Acquisition of an associate	—	(192,560)
(Decrease)/Increase in amount due to an associate	(16)	16
Net cash used in investing activities	(76,506)	(557,864)
	103,272	(410,892)

	2006	2005
(RMB'000)		(restated)
<b>Cash Flow from Financing Activities</b>		
Capital elements of finance lease payments	(15,789)	(3,653)
Proceeds from new short-term borrowings	228,167	216,800
Repayment of short-term borrowings	(199,092)	(330,000)
Net proceeds from issuance of shares	—	243,060
Net proceeds from issuance of convertible bonds	—	320,922
Net proceeds from non-current borrowings	752,087	438,246
Repayment of non-current borrowings	(443,080)	—
Dividend paid	(66,354)	(49,497)
Interest paid	(41,223)	(21,354)
Capital injection from a minority shareholder	—	17,170
Dividend paid to a minority shareholder	—	(500)
Net cash inflow from financing activities	214,716	831,194
<b>Net Increase in Cash and Cash Equivalents</b>	317,988	420,302
<b>Exchange Difference Arising on Translation of Overseas Operations</b>	6,888	(729)
<b>Cash and Cash Equivalents at the Beginning of the year</b>	738,287	318,714
<b>Cash and Cash Equivalents at the end of the year</b>	1,063,163	738,287
<b>Analysis of Cash and Cash Equivalents</b>		
Cash and bank balances	1,079,833	754,918
Pledged bank deposits	(16,670)	(16,631)
	1,063,163	738,287