

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2002

	NOTE	2002 RMB'000	2001 RMB'000
OPERATING ACTIVITIES			
(Loss) profit before taxation		(114,322)	106,578
Adjustments for:			
Share of results of associates		48,819	(120,697)
Interest expense		12,525	12,854
Interest income		(3,757)	(5,120)
Depreciation and amortisation		40,256	46,094
Impairment losses in respect of property, plant and equipment		—	43,858
Unrealised loss on unlisted equity securities		35	5,035
(Gain) loss on disposals of property, plant and equipment and construction in progress		(325)	5,677
Realised gain on disposal of listed PRC government bonds		—	(1,122)
Operating cash flows before movements in working capital		(16,769)	93,157
Decrease (increase) in inventories		37,687	(33,794)
Decrease (increase) in trade receivables, other receivables, deposits and prepayments		15,312	(4,531)
Decrease in amounts due from associates		3,316	5,155
Decrease in amounts due from related companies		1,421	1,278
(Decrease) increase in trade payables, other payables and accrued charges, temporary receipts and deposits for staff quarters		(14,439)	27,737
Increase (decrease) in amounts due to associates		3,470	(798)
Increase in amounts due to related companies		121	—
Cash generated from operations		30,119	88,204
PRC income tax paid		(2,976)	(8,670)
NET CASH FROM OPERATING ACTIVITIES		27,143	79,534
INVESTING ACTIVITIES			
Additions to construction in progress		(35,770)	(21,560)
Increase in bank deposits		(5,497)	(81,341)
Purchase of property, plant and equipment		(2,692)	(4,607)
Acquisition of a subsidiary	27	(1,684)	—
Additions to investments in associates		(505)	(4,740)
Dividend income from an associate		16,553	—
Interest received		3,757	5,120
Proceeds from disposals of property, plant and equipment		1,347	2,351
Proceeds from disposals of PRC government bonds		—	45,759
NET CASH USED IN INVESTING ACTIVITIES		(24,491)	(59,018)
FINANCING ACTIVITIES			
Repayments of bank borrowings		(237,820)	(222,648)
Interest paid		(12,525)	(13,578)
Dividends paid to minority shareholders		(7,486)	(5,344)
New bank borrowings raised		204,863	238,400
Contribution from minority shareholders		15,763	—
NET CASH USED IN FINANCING ACTIVITIES		(37,205)	(3,170)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(34,553)	17,346
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		120,368	103,022
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, representing			
Bank balances and cash		85,815	120,368
EFFECT ON RE-DEFINITION OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at end of the year			
— as previously reported			143,614
— effect of reclassification of bank deposits			(23,246)
— as restated			120,368