

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2003

	2003 US\$'000	2002 US\$'000
Cash flows from operating activities		
Loss before taxation	(5,368)	(16,096)
Adjustments for:		
Depreciation of property, plant and equipment	4,295	5,004
Interest income	(16)	(51)
Interest expenses	1,161	1,521
(Gain) loss on partial disposals of subsidiaries	(362)	2,034
Loss on disposal of property, plant and equipment	1,679	155
Share of results of associates	1,386	1,680
Amortisation of goodwill	627	662
Impairment loss recognised in respect of property, plant and equipment	710	3,975
Impairment loss recognise in respect of goodwill	2,138	–
Net realised gain on disposal of investments in securities	(11)	(54)
Gain on disposal of subsidiaries	(9,212)	–
Allowance for bad and doubtful debts	1,822	1,620
Allowance for amount due from an associate	3,656	–
Operating cash flows before movements in working capital	2,505	450
(Increase) decrease in inventories	(291)	3,689
(Increase) decrease in trade and other receivables	(2,674)	689
Decrease in amounts due from associates	719	1,220
Increase (decrease) in trade and other payables	607	(3,351)
Decrease in bills payable	(186)	(135)
Increase in amount due to an associate	51	–
Cash generated from operations	731	2,562
PRC Enterprise Income Tax paid	(254)	(114)
Interest paid	(1,161)	(1,521)
Net cash (used in) generated from operating activities	(684)	927

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2003

	NOTES	2003 US\$'000	2002 US\$'000
Cash flows from investing activities			
Disposal of subsidiaries (net of cash and cash equivalents disposed of)	29	(2,410)	–
Purchases of property, plant and equipment		(1,094)	(1,083)
Investment in associates		(597)	–
Purchase of investments in securities		(556)	–
Proceeds from disposal of investments in securities		1,470	586
Proceeds from disposal of property, plant and equipment		132	1,083
Interest received		16	51
Purchase of subsidiaries (net of cash and cash equivalents acquired)	30	–	(6,030)
Dividends paid to minority shareholders of subsidiaries		–	(717)
Net cash used in investing activities		(3,039)	(6,110)
Cash flows from financing activities			
New borrowings raised		9,390	7,817
Capital contribution from minority interests of subsidiaries		3,010	5,200
Proceeds from issue of shares upon subscription		–	3,243
Proceeds from issue of shares upon exercise of warrants		–	1,940
Repayments of borrowings		(11,189)	(9,969)
Net cash generated from financing activities		1,211	8,231
Net increase in cash and cash equivalents		(2,512)	3,048
Cash and cash equivalents at beginning of the year		4,998	1,947
Effect of changes in foreign exchange rates		7	3
Cash and cash equivalents at end of the year		2,493	4,998
Cash and cash equivalent at end of the year, representing			
Bank balances and cash		2,493	5,026
Bank overdrafts		–	(28)
		2,493	4,998