

# Consolidated Cash Flow Statement

For the year ended 31 December 2003

	NOTE	2003 RMB'000	2002 RMB'000
OPERATING ACTIVITIES			
Loss before taxation		<b>(75,205)</b>	(114,322)
Adjustments for:			
Share of results of associates		<b>17,696</b>	48,819
Interest expense		<b>10,822</b>	12,525
Interest income		<b>(2,420)</b>	(3,757)
Depreciation and amortisation		<b>34,417</b>	40,256
Allowance for amounts due from a former minority shareholder		<b>23,770</b>	—
Loss (gain) on disposal of property, plant and equipment		<b>219</b>	(325)
Unrealised loss on unlisted equity securities		<b>—</b>	35
Operating cash flows before movements in working capital		<b>9,299</b>	(16,769)
(Increase) decrease in inventories		<b>(29,698)</b>	37,687
(Increase) decrease in trade receivables, other receivables, deposits and prepayments		<b>(6,937)</b>	15,312
Decrease in amounts due from associates		<b>703</b>	3,316
(Increase) decrease in amounts due from related companies		<b>(1,529)</b>	1,421
Increase (decrease) in trade payables, other payables and accrued charges, temporary receipts and deposits for staff quarters		<b>28,499</b>	(14,439)
Increase in amounts due to associates		<b>13,268</b>	3,470
(Decrease) increase in amounts due to related companies		<b>(121)</b>	121
Cash generated from operations		<b>13,484</b>	30,119
PRC income tax paid		<b>(17)</b>	(2,976)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>13,467</b>	27,143
INVESTING ACTIVITIES			
Decrease (increase) in bank deposits		<b>17,407</b>	(5,497)
Interest received		<b>2,420</b>	3,757
Proceeds from disposals of property, plant and equipment		<b>992</b>	1,347
Additions to construction in progress		<b>(27,195)</b>	(35,770)
Purchase of property, plant and equipment		<b>(5,982)</b>	(2,692)
Dividend income from an associate		<b>—</b>	16,553
Acquisition of a subsidiary	26	<b>—</b>	(1,684)
Additions to investments in associates		<b>—</b>	(505)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(12,358)</b>	(24,491)

	<b>2003</b> <b>RMB'000</b>	2002 RMB'000
FINANCING ACTIVITIES		
New bank borrowings raised	<b>185,870</b>	204,863
Repayments of bank borrowings	<b>(169,190)</b>	(237,820)
Interest paid	<b>(10,822)</b>	(12,525)
Dividends paid to minority shareholders	<b>(2,248)</b>	(7,486)
Contribution from minority shareholders	—	15,763
NET CASH FROM (USED IN) FINANCING ACTIVITIES	<b>3,610</b>	(37,205)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<b>4,719</b>	(34,553)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<b>85,815</b>	120,368
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, representing Bank balances and cash (note 21)	<b>90,534</b>	85,815