

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2004

	2004 RMB'000	2003 RMB'000
<b>OPERATING ACTIVITIES</b>		
Loss before taxation	(64,429)	(75,205)
Adjustments for :		
Loss on investment	1,216	—
Share of results of associates	14,909	17,696
Interest expenses	11,055	10,822
Interest income	(1,844)	(2,420)
Depreciation and amortisation	34,029	34,417
Allowance for amounts due from a former minority shareholder	—	23,770
Reversal of impairment loss on property, plant and equipment recognised in prior years	(4,793)	—
(Gain) loss on disposal of property, plant and equipment	(11,338)	219
Operating cash flows before movements in working capital	(21,195)	9,299
Increase in inventories	(838)	(29,698)
Decrease (increase) in trade and other receivables	27,774	(6,937)
(Increase) decrease in amounts due from associates	(2,161)	703
Decrease (increase) in amounts due from related companies	6,111	(1,529)
Increase in trade payables, other payables and accrued charges, temporary receipts and deposits for staff quarters	2,763	28,499
Increase in amounts due to associates	7,234	13,268
Decrease in amounts due to related companies	—	(121)
Cash generated from operations	19,688	13,484
PRC income tax paid	(5,746)	(17)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>13,942</b>	<b>13,467</b>
<b>INVESTING ACTIVITIES</b>		
Decrease in bank deposits	48,535	17,407
Interest received	1,844	2,420
Proceeds from disposals of property, plant and equipment	1,434	992
Additions to construction in progress	(7,363)	(27,195)
Purchase of property, plant and equipment	(5,042)	(5,982)
Dividend income from an associate	100	—
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>	<b>39,508</b>	<b>(12,358)</b>
<b>FINANCING ACTIVITIES</b>		
New bank borrowings raised	195,482	185,870
Repayments of bank borrowings	(224,829)	(169,190)
Interest paid	(11,055)	(10,822)
Dividends paid to minority shareholders	(2,480)	(2,248)
Capital contribution from minority shareholder of a subsidiary	100	—
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES</b>	<b>(42,782)</b>	<b>3,610</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>10,668</b>	<b>4,719</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>90,534</b>	<b>85,815</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR, representing Bank balances and cash (note 20)</b>	<b>101,202</b>	<b>90,534</b>