

	2004 US\$'000	2003 US\$'000
Cash flows from operating activities		
Loss before taxation	(4,452)	(5,368)
Adjustments for:		
Depreciation of property, plant and equipment	3,517	4,295
Interest income	(26)	(16)
Interest expenses	794	1,161
Gain on partial disposals of subsidiaries	–	(362)
Gain on deemed disposal of associates	(1,627)	–
Loss on disposal of property, plant and equipment	427	1,679
Share of results of associates	1,176	1,386
Amortisation of goodwill	–	627
Impairment loss recognised in respect of property, plant and equipment	449	710
Impairment loss recognised in respect of goodwill	–	2,138
Impairment loss recognised in respect of investment in securities	1,974	–
Net realised gain on disposal of investments in securities	–	(11)
Gain on disposal of subsidiaries	–	(9,212)
Allowance for bad and doubtful debts	1,089	1,822
Allowance for amount due from an associate	–	3,656
Operating cash flows before movements in working capital	3,321	2,505
Decrease (increase) in inventories	1,172	(291)
Increase in trade and other receivables	(2,329)	(2,674)
(Decrease) increase in trade and other payables	(435)	607
Decrease in bills payable	–	(186)
Increase in amount due to ultimate holding company	203	–
(Decrease) increase in amount due to an associate	(51)	51
Cash generated from operations	1,881	12
PRC Enterprise Income Tax paid	(4)	(254)
Interest paid	(794)	(1,161)
Net cash generated from (used in) operating activities	1,083	(1,403)

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2004

	<i>NOTES</i>	2004 US\$'000	2003 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		(594)	(1,094)
Investment in associates		–	(597)
(Increase) decrease in amounts due from associates		(184)	719
Purchase of investments in securities		–	(556)
Proceeds from disposal of investments in securities		–	1,470
Proceeds from disposal of property, plant and equipment		732	132
Interest received		26	16
Dividends paid to minority shareholders of subsidiaries		(99)	–
Net cash used in investing activities		(119)	(2,320)
Cash flows from financing activities			
New borrowings raised		10,543	9,390
Capital contribution from minority interests of subsidiaries		–	3,010
Proceeds from issue of shares upon exercise of warrants		70	–
Repayments of borrowings		(11,896)	(11,189)
Net cash (used in) generated from financing activities		(1,283)	1,211
Net decrease in cash and cash equivalents		(319)	(2,512)
Cash and cash equivalents at beginning of the year		2,493	4,998
Effect of changes in foreign exchange rates		(1)	7
Cash and cash equivalents at end of the year		2,173	2,493
Cash and cash equivalents at end of the year, representing Bank balances and cash		2,173	2,493