

Consolidated Cash Flow Statement

For the year ended 31 December 2005
(Expressed in Renminbi)

Notes	2005 RMB'000	2004 (restated) RMB'000
Operating activities		
Loss before taxation	(273,118)	(62,847)
Adjustments for:		
Depreciation	54,249	41,005
Amortisation of land lease prepayments	300	251
Amortisation of negative goodwill	–	(582)
Amortisation of positive goodwill	–	397
Impairment loss on fixed assets	107,747	–
Impairment loss on land lease prepayments	1,182	–
Impairment loss on goodwill	10,195	–
Impairment loss on trade receivables	20,757	–
Impairment loss on other receivables	5,000	–
Impairment loss on interest in jointly controlled entity	58,887	–
Bad debts written off	–	1,357
Finance costs	34,654	28,501
Interest income	(29)	(2,215)
Share of loss of jointly controlled entity	569	544
Loss on disposals of fixed assets	207	373
Employee share option benefits	2,332	–
Operating profit before changes in working capital	22,932	6,784
Decrease/(increase) in inventories	297	(450)
Decrease/(increase) in trade and other receivables	12,910	(3,619)
Decrease in amount due from a minority shareholder	–	4,041
Decrease in trade and other payables	(2,826)	(3,569)
Cash generated from operations	33,313	3,187
Tax paid		
PRC income tax paid	(191)	(1,250)
Net cash generated from operating activities	33,122	1,937
Investing activities		
Withdrawal of pledged bank deposits	–	53,473
Payment for purchase of fixed assets	(691)	(499)
Increase in land lease payments	(1,108)	(756)
Proceeds from sales of fixed assets	34	114
Payment for purchase of construction in progress	(18,540)	(40,160)
Interest received	29	2,215
Net cash (used in)/generated from investing activities	(20,276)	14,387

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For the year ended 31 December 2005
(Expressed in Renminbi)

Notes	2005	2004
	RMB'000	(restated) RMB'000
Financing activities		
Increase in amount due to ultimate holding company	6,166	–
Repayment of loans from ultimate holding company	–	(705)
Proceeds from new bank loans	–	73,000
Repayment of bank loans	(3,300)	(126,800)
Proceeds from new other loans	7,700	–
Proceeds from shares issued under share option scheme	728	–
Interest paid	(23,661)	(28,501)
Net cash used in financing activities	(12,367)	(83,006)
Net increase/(decrease) in cash and cash equivalents	479	(66,682)
Cash and cash equivalents at 1 January	2,929	69,611
Cash and cash equivalents at 31 December 24	3,408	2,929

The notes on pages 35 to 86 form part of these financial statements.