

Consolidated Cash Flow Statement

For the year ended 31 December 2006
(Expressed in Renminbi)

Notes	2006 RMB'000	2005 RMB'000
Operating activities		
Loss before taxation	(104,230)	(273,118)
Adjustments for:		
Depreciation	50,577	54,249
Amortisation of land lease prepayments	106	300
Impairment loss on property, plant and equipment	–	107,747
Impairment loss on land lease prepayments	–	1,182
Impairment loss on goodwill	–	10,195
Impairment loss on trade receivables	9,123	20,757
Impairment loss on other receivables	29,950	5,000
Impairment loss on interest in jointly controlled entity	–	58,887
Finance costs	34,689	34,654
Interest income	(253)	(29)
Gain on disposal of a subsidiary	(832)	–
Share of loss of jointly controlled entity	–	569
Loss on disposals of property, plant and equipment	77	207
Employee share option benefits	3,822	2,332
Operating profit before changes in working capital	23,029	22,932
(Increase)/decrease in inventories	(258)	297
(Increase)/decrease in trade and other receivables	(7,549)	12,910
Decrease in trade and other payables	(4,785)	(3,143)
Cash generated from operations	10,437	32,996
Tax paid		
PRC income tax paid	(629)	(191)
Net cash generated from operating activities	9,808	32,805
Investing activities		
Payment for purchase of property, plant and equipment	(5,445)	(691)
Increase in land lease payments	–	(1,108)
Proceeds from sales of property, plant and equipment	256	34
Payment for purchase of construction in progress	–	(18,540)
Interest received	253	29
Net cash used in investing activities	(4,936)	(20,276)

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For the year ended 31 December 2006
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	Notes	2006 RMB'000	2005 RMB'000
Financing activities			
(Decrease)/increase in amount due to a shareholder of the company		(5,490)	6,166
Increase in amount due to a minority shareholder		1,566	317
Proceeds from issue of shares by placements		59,413	–
Proceeds from shares issued under share option scheme		4,615	728
Repayment of bank loans		(11,800)	(3,300)
Proceeds from new other loans		5,800	7,700
Repayment of other loans		(8,500)	–
Interest paid		(2,615)	(23,661)
Net cash generated from/(used in) financing activities		42,989	(12,050)
Net increase in cash and cash equivalents		47,861	479
Cash and cash equivalents at 1 January		3,408	2,929
Cash and cash equivalents at 31 December	24	51,269	3,408

The notes on pages 36 to 80 form part of these financial statements.