

Consolidated Cash Flow Statement

For the year ended 31st December, 2006

NOTES	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES		
Loss before taxation for the year	(59,788)	(161,010)
Adjustments for:		
Interest income	(2,144)	(889)
Dividend income from listed securities	(615)	(847)
Depreciation of property, plant and equipment	5,678	3,476
Release of prepaid lease payments	82	38
(Gain) loss on disposal of property, plant and equipment	(73)	807
Increase in fair value of investment property	(40)	(260)
Share based payment expenses	-	27,956
Impairment loss on trade receivables	370	3,765
Share of results of associates	412	10,263
Finance cost	8,314	3,189
Impairment loss on available-for-sale investments	-	7,950
Fair value adjustment on investments held for trading	(9,891)	(418)
Fair value adjustment on embedded derivatives	-	19,720
Impairment loss on goodwill	-	21,910
Impairment loss on property, plant and equipment	6,533	22,000
Allowance on inventories	948	2,261
Operating cash flows before movements in working capital	(50,214)	(40,089)
Decrease in inventories	1,410	14,654
Decrease in trade and other receivables	250	1,304
Increase in investments held for trading	(38,889)	(21,622)
Increase in deposits placed with security brokers	(1,657)	-
Increase (decrease) in trade and other payables	80,344	(16,641)
NET CASH USED IN OPERATING ACTIVITIES	(8,756)	(62,394)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(57,707)	(26,000)
Increase in pledged bank deposit	(13,220)	(10,178)
Increase in short term loan receivables	(43,776)	(5,476)
Interest received	2,144	889
Proceeds on disposal of property, plant and equipment	1,597	56
Dividend income from listed securities	615	847
Repayment of short term loan receivables	37,800	15,139
Acquisition of a subsidiary	33	-
Disposal of a subsidiary	34	9,000
Prepaid lease payments	-	(357)
NET CASH USED IN INVESTING ACTIVITIES	(63,547)	(1,298)

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	2006 <i>HK\$'000</i>	2005 <i>HK\$'000</i>
FINANCING ACTIVITIES		
Proceeds from issue of shares, net of expenses	60,152	14,665
Other borrowings raised	41,114	3,906
Advance from an minority shareholder	1,155	-
Repayment of other borrowings	(22,833)	-
Interest paid	(6,303)	(3,189)
Proceeds from issue of convertible bonds	-	58,500
NET CASH FROM FINANCING ACTIVITIES	73,285	73,882
NET INCREASE IN CASH AND CASH EQUIVALENT	982	10,190
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	28,676	18,754
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(3,006)	(268)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	26,652	28,676