

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (restated)
Cash flows from operating activities			
Loss before tax		(108,804)	(156,504)
Adjustments for:			
Amortisation of intangible assets		15,110	23,912
Amortisation of interests in leasehold land held for own use under operating leases		111	109
Change in fair value of investments at fair value through profit or loss		(470)	—
Depreciation of investment properties		3,537	—
Depreciation of property, plant and equipment		5,082	18,404
Discount on early redemption of promissory notes		—	(2,800)
Finance costs		3,925	5,058
(Gain)/loss on disposal of property, plant and equipment		(1,041)	2,247
Gain on disposal of an associate		(3,716)	—
Gain on disposal of subsidiaries	40	(102)	—
Impairment loss on trade and other receivables		—	3,485
Impairment loss on goodwill		240	—
Impairment loss on intangible assets		56,445	35,633
Impairment loss on interests in associates		3,181	—
Impairment loss on investments held for disposal		—	2,969
Impairment loss on promissory note		—	8,000
Impairment loss on inventories		—	529
Impairment loss on property, plant and equipment		—	40,939
Impairment loss on goodwill in an associate		2,689	—
Interest income		(534)	(167)
Reversal of impairment loss on trade and other receivables		(1,542)	—
Share of results of associates		2,594	6,072
Unrealised holding gain on investments in securities		—	(3,591)
Operating loss before working capital changes		(23,295)	(15,705)
(Increase)/decrease in inventories		(619)	950
Decrease in trade and other receivables		2,936	4,993
(Decrease)/increase in provision for staff welfare and bonus		(96)	1
Increase/(decrease) in trade and other payables		15,145	(7,609)
Net cash flows used in operating activities		(5,929)	(17,370)

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For the year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (restated)
Investing activities			
Interest income received		534	167
Purchase of property, plant and equipment		(1,760)	(9,072)
Proceeds from disposal of property, plant and equipment		1,836	12,476
Net cash inflow from disposal of subsidiaries	40	102	—
Acquisition of an associate		(7,000)	—
Proceeds from disposal of an associate		5,693	—
Net cash outflow from acquisition of subsidiaries	39	(12,911)	—
		<u>(13,506)</u>	<u>3,571</u>
Net cash flows (used in)/from investing activities			
Financing activities			
Cash contribution by the minority shareholder of a subsidiary		—	708
Interest paid		(3,925)	(2,731)
New short-term bank loans borrowed		71,347	78,446
New other loan borrowed		10,063	—
Net proceeds from issue of shares		77,109	27,396
Repayments of short-term bank loans		(80,000)	(77,315)
Repayments of convertible notes and promissory notes		(70,200)	—
Repayment to a controlling shareholder		—	(1,018)
Increase in amounts due to directors		4,105	3,101
Increase in amounts due to related companies		636	—
Increase in amount due to holding company		800	—
Decrease in convertible debentures		—	(2,186)
		<u>9,935</u>	<u>26,401</u>
Net cash flows from financing activities			
Net (decrease)/increase in cash and cash equivalents			
		<u>(9,500)</u>	<u>12,602</u>
Cash and cash equivalents at beginning of year			
		56,272	43,670
Effect of foreign exchange rate changes		878	—
		<u>47,650</u>	<u>56,272</u>
Cash and cash equivalents at end of year, represented by			
		<u>47,650</u>	<u>56,272</u>
Bank balances and cash			
		<u>47,650</u>	<u>56,272</u>