



## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2005

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Note	2005 HK\$'000	2004 HK\$'000
<b>Cash flows from operating activities</b>		
Loss before income tax	(228,023)	(44,357)
Adjustments for:		
Depreciation of property, plant and equipment	6,908	4,097
Loss/(Gain) on disposal of property, plant and equipment	140	(15)
Loss on write off of property, plant and equipment	–	5,644
Gain on sale of land	(165)	–
Amortisation of land use rights	276	–
Impairment of property, plant and equipment	43,946	1,506
Impairment of goodwill	103,608	–
Impairment of inventories	1,853	–
Impairment of receivables	8,662	354
Provision for legal claims	609	–
Share based payment expenses	7,576	–
Interest income	(1,206)	(1,551)
Interest expense	2,478	–
Share of results of associates	6,235	–
Operating loss before working capital changes	(47,103)	(34,322)
Decrease in prepayments, deposits and other receivables	10,031	1,589
Decrease in inventories	9,952	96
Decrease in trade receivables	1,405	127
Decrease/(Increase) in amounts due from related parties	6,530	(726)
Increase in trade payables	8,024	77
Increase/(Decrease) in accruals and other payables	11,057	(134)
Increase in amounts due to related parties	12,070	–
Decrease in bills payable	(13,085)	–
Cash used in operations	(1,119)	(33,293)
Interest paid	(2,478)	–
Income tax paid	(107)	–
<i>Net cash used in operating activities</i>	(3,704)	(33,293)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(11,713)	(2,781)
Proceeds from sales of property, plant and equipment	890	2,023
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	20,674	–
Acquisition of land held for resale	–	(1,636)
Proceeds from sale of land	1,801	–
Interest received	610	718
Increase in other loan receivables	–	(1,071)
Acquisition of long term investment	–	(21,423)
Acquisition of an associate	(7,680)	–
Increase in loan receivable from an investee company	–	(43,624)
<i>Net cash generated from/(used in) investing activities</i>	4,582	(67,794)
<b>Cash flows from financing activities</b>		
Share issue expenses	(2,868)	–
Proceeds of borrowings	19,056	–
Repayment of borrowings	(41,695)	–
Decrease in pledged bank deposits	12,505	–
<i>Net cash used in financing activities</i>	(13,002)	–
<b>Net decrease in cash and cash equivalents</b>	(12,124)	(101,087)
<b>Cash and cash equivalents at 1 January 2005</b>	31,828	132,915
<b>Effect of exchange rate fluctuation</b>	(93)	–
<b>Cash and cash equivalents at 31 December 2005</b>	19,611	31,828