

## Consolidated Cash Flow Statement

For the year ended 31 December 2006

	<i>Notes</i>	<b>2006</b> <i>HK\$'000</i>	2005 <i>HK\$'000</i>
<b>Cash flows from operating activities</b>			
Loss before income tax, including loss from discontinued operation		<b>(62,002)</b>	(58,788)
Adjustments for:			
Interest expenses	7	<b>14,153</b>	8,082
Amortisation of mining rights	8	<b>251</b>	–
Amortisation of prepaid lease payments	8	<b>525</b>	465
Impairment loss on goodwill	8	–	59,000
Interest income	5	<b>(2,771)</b>	(141)
Fair value loss on financial assets at fair value through profit or loss	8	–	934
Depreciation	8	<b>22,300</b>	21,456
Loss/(Gain) on disposals of property, plant and equipment	5, 8	<b>103</b>	(36)
Net gain on disposal of subsidiaries		<b>(25,421)</b>	–
Loss on remeasurement to fair value less costs to sell		<b>111,044</b>	–
Equity-settled share option expenses		<b>5,216</b>	–
Operating profit before working capital changes		<b>63,398</b>	30,972
Decrease/(Increase) in inventories		<b>9,133</b>	(1,071)
(Increase)/Decrease in account receivables		<b>(19,729)</b>	1,801
(Increase)/Decrease in prepayments, deposits and other receivables		<b>(8,628)</b>	1,934
Decrease in financial assets at fair value through profit or loss		<b>508</b>	1,379
Increase/(Decrease) in account payables		<b>15,395</b>	(1,538)
(Decrease)/Increase in other payables and accruals		<b>(10,541)</b>	1,140
Decrease in amount due to a director		<b>(904)</b>	(8,871)
Cash generated from operations		<b>48,632</b>	25,746
Interest received		<b>2,516</b>	141
Interest paid		<b>(8,974)</b>	(8,082)
Income tax (paid)/refunded		<b>(2,311)</b>	590
Net cash from operating activities		<b>39,863</b>	18,395

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For the year ended 31 December 2006

	<i>Notes</i>	<b>2006</b> <b>HK\$'000</b>	2005 <i>HK\$'000</i>
<b>Cash flows from investing activities</b>			
Purchase of other intangible assets		<b>(60)</b>	–
Purchase of property, plant and equipment		<b>(3,940)</b>	(477)
Proceeds from disposal of property, plant and equipment		<b>35</b>	339
Purchase of subsidiaries (net of cash and cash equivalent acquired)	38	<b>(67,576)</b>	–
Disposal of subsidiaries (net of cash and cash equivalent disposed)	39	<b>87,006</b>	–
Advances of loans to jointly-controlled entities		–	(8,888)
Advancement/(Repayment) of loans from minority shareholder		<b>601</b>	(937)
<b>Net cash generated from/(used in) investing activities</b>		<b>16,066</b>	(9,963)
<b>Cash flows from financing activities</b>			
New bank loans		<b>91,500</b>	119,904
Repayment of bank loans		<b>(115,254)</b>	(149,602)
Proceeds from placement of new shares		<b>16,500</b>	–
Dividend paid to a minority shareholders		<b>(15,316)</b>	–
<b>Net cash used in financing activities</b>		<b>(22,570)</b>	(29,698)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>33,359</b>	(21,266)
Cash and cash equivalents at 1 January		<b>27,176</b>	50,414
Effect of foreign exchange rate changes		<b>1,870</b>	(1,972)
<b>Cash and cash equivalents at 31 December</b>		<b>62,405</b>	27,176
<b>Analysis of balances of cash and cash equivalents</b>			
Cash and bank balances of continuing operations		<b>30,683</b>	27,176
Cash and bank balances included in assets held for sale		<b>31,722</b>	–
		<b>62,405</b>	27,176