

For the year ended 31 December 2006

	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES		
Loss before tax	(74,038)	(255,870)
Adjustments for:	(74,050)	(255,676)
Interest on bank borrowings and finance leases	13,884	12,043
Interest on amount due to a related company	6,017	1,154
Share of results of associates	(17,780)	(10,493)
Share of results of jointly controlled entities	(5,592)	(13,860)
Share-based payment expense	-	15,720
Impairment loss recognised on trade receivable	2,920	1,818
Impairment loss recognised on inventories	600	5,084
Amortisation of intangible assets	1,049	-
Depreciation of property, plant and equipment	68,684	99,944
Release of prepaid lease payments charged to		
income statement	393	471
Interest income	(682)	(186)
Loss (gain) on disposal of property, plant and equipment	212	(70)
Gain on disposal of assets classified as held for sale	(5,867)	(0.262)
Increase in fair value of investment properties	(564)	(8,263)
Impairment loss recognised on property, plant		122 671
and equipment Impairment loss recognised on intangible assets	_ 950	123,671
Impairment loss recognised on club debentures	115	_
impairment loss recognised on club debentures		
Operating cash flows before movements in		
working capital	(9,699)	(28,837)
Decrease in inventories	3,577	3,208
Increase in trade and bills receivables	(10,207)	(22,005)
(Increase) decrease in other receivables	(8,297)	2,202
Decrease in amounts due from customers for		
contract work	16,494	-
Decrease in amounts due from associates	2,682	-
Decrease in amount due from a jointly controlled entity	1,629	(20 526)
Decrease in trade and bills payables	(13,077)	(20,536)
Increase (decrease) in other payables and accruals Decrease in amounts due to customers for contract work	16,597	(16,094)
Increase in amount due to a related party	(24,697)	-
Increase in amount due to a jointly controlled entity	4,753 7,471	-
Decrease in amounts due to associates	/,4/1	(11,730)
		(11,750)
Cash used in operations	(12,774)	(93,792)
Hong Kong Profits Tax refunded	73	-
PRC Income Tax refunded	119	-
Hong Kong Profits Tax paid	-	(275)
Interest paid	(13,884)	(12,043)
NET CASH USED IN OPERATING ACTIVITIES	(26,466)	(106,110)



Consolidated Cash Flow Statement

For the year ended 31 December 2006

	Note	2006 HK\$'000	2005 HK\$'000
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(14,929)	(10,606)
Decrease in pledged bank deposits		834	17,493
Decrease (increase) in time deposits		28,868	(28,868)
Increase in amount due from a jointly controlled entity		-	(626)
Dividend received from a jointly controlled entity		15,000	10,000
Interest received		682	186
Proceeds from disposal of property, plant and			
equipment		1,174	729
Proceeds from disposal of non-current assets			
classified as held for sale		27,152	11,648
Acquisition of subsidiaries	40	11,617	
NET CASH FROM (USED IN) INVESTING			
ACTIVITIES		70,398	(44)
		06 567	12 470
New bank loans raised Proceed from sale and leaseback transaction		86,567	13,470 5,000
Share issue expenses		_ (1,801)	5,000
Repayment of obligations under finance leases		(34,686)	(34,117)
Increase (decrease) in trust receipt loans		7,129	(5,101)
Repayment of bank loans		(123,245)	(20,173)
Loan from a related company		54,047	82,265
(Decrease) increase in amount due to a shareholder		(24,700)	24,700
Dividend paid to minority interests		(600)	-
NET CASH (USED IN) FROM FINANCING			
ACTIVITIES		(37,289)	66,044
NET INCREASE (DECREASE) IN CASH AND		6.642	
CASH EQUIVALENTS		6,643	(40,110)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		23,952	64,062
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		336	04,002
CASH AND CASH EQUIVALENTS AT END			
OF THE YEAR		30,931	23,952
ANALYSIS OF THE BALANCES OF CASH AND			
CASH EQUIVALENTS			
Bank balances and cash		37,214	31,675
Bank overdrafts		(6,283)	(7,723)
		30,931	23,952