

Consolidated Cash Flow Statement

For the year ended 31 December 2006

	Note	2006 HK\$'000	2005 HK\$'000
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(47,745)	(23,203)
Adjustment for:			
Finance cost		229	108
Interest income		(678)	(899)
Gain on disposal of subsidiaries		(4,097)	–
Fair value gain on investment properties		(150)	–
Fair value gain on derivative component of redeemable voting preference shares		(724)	–
Exchange gains		(4,278)	–
Impairment loss for doubtful debts		2,867	2,873
Depreciation of property, plant and equipment		3,145	856
Loss on disposal of property, plant and equipment		136	269
Employee share options benefits		673	–
Equity-settled consultancy fees		18,909	–
Impairment of goodwill		–	555
Inventories written off		–	179
Operating loss before working capital changes		(31,713)	(19,262)
Increase in inventories		(1,457)	(216)
(Increase)/decrease in debtors and prepayments		(8,734)	34,828
Increase in creditors and accrued charges		22,197	4,614
Increase in amounts due to directors		253	600
Increase in amount due to a related party		663	–
Cash (used in)/generated from operations		(18,791)	20,564
Tax paid		(75)	(372)
Interest paid		(9)	(108)
Finance lease charge paid		(74)	–
Net cash (used in)/generated from operating activities		(18,949)	20,084
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of a subsidiary	34(a)	(1,665)	(1,395)
Disposal of subsidiaries	34(b)	(16)	–
Advances to an associate		(867)	(852)
Advances to consulting companies		(18,215)	(2,628)
Promissory notes repaid		–	10,259
Deposits paid for the acquisition of beneficial rights to drugs under development		–	(18,269)
Purchases of property, plant and equipment		(13,899)	(1,644)
Proceeds from disposal of property, plant and equipment		195	–
Interest received		678	899
Net cash used in investing activities		(33,789)	(13,630)

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CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		22,400	17,128
Capital injection from minority shareholders of subsidiaries		–	24
Proceeds from issue of redeemable voting preference shares by a subsidiary		15,600	–
Repayment of bank borrowings		(135)	(2,724)
Repayment of obligation under finance lease		(329)	–
Net cash generated from financing activities		37,536	14,428
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
Effect of foreign exchange rate changes		528	(2,080)
CASH AND CASH EQUIVALENT AT 1 JANUARY		26,713	7,911
CASH AND CASH EQUIVALENT AT 31 DECEMBER		12,039	26,713
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS			
Bank and cash balances		12,039	26,713