

Consolidated Cash Flow Statement

For the year ended 31 December 2005

	Notes	2005 HK\$'000	(Restated) 2004 HK\$'000
Cash flows from operating activities			
Loss before income tax		(19,678)	(18,786)
Adjustments for:			
Depreciation of property, plant and equipment		2,588	1,656
Amortisation of operating lease prepayments		311	171
Impairment and amortisation of goodwill		479	1,837
Finance costs		202	109
Share of results of associates		1,366	2,743
Interest income		(295)	(248)
Gain on disposal of partial interest in a subsidiary		—	(1,083)
Gain on disposal of property, plant and equipment		(40)	(10)
Operating loss before working capital changes		(15,067)	(13,611)
(Increase)/Decrease in trade receivables		(6,351)	324
Decrease in prepayments, deposits and other receivables		1,498	17,159
Increase in trade payables		5,150	1,152
(Decrease)/Increase in other payables		(211)	8,650
Net cash (used in)/generated from operating activities		(14,981)	13,674
Cash flows from investing activities			
Purchase of property, plant and equipment		(52,595)	(29,277)
Payments for operating lease prepayments		(1,605)	—
Decrease/(Increase) in prepayment for purchase of property, plant and equipment and prepayment for a potential mining project		4,400	(41,709)
Capital investment in an associate		(14,324)	—
Acquisition of a subsidiary, net of cash acquired	37	(4,289)	(13,630)
Proceeds from disposal of partial interest in a subsidiary		—	7,054
Proceeds from disposal of property, plant and equipment		40	74
Interest received		295	248
Net cash used in investing activities		(68,078)	(77,240)
Cash flows from financing activities			
Decrease/(Increase) in pledged bank deposits		4,703	(4,703)
Decrease in bills payable		(4,801)	—
Proceeds from new bank loan		—	37,622
Repayment of bank loan		(15,506)	—
Proceeds from new other loans		65,479	—
Repayment of other loans		(24,003)	—
Increase in amount due to ultimate holding company		10,000	—
Increase in amounts due to related companies		4,801	9,406
Increase in amounts due to minority equity shareholders of subsidiaries		24,097	—
Finance costs paid		(2,936)	(964)
Net cash generated from financing activities		61,834	41,361
Net decrease in cash and cash equivalents		(21,225)	(22,205)
Cash and cash equivalents at 1 January		31,628	53,833
Effect of foreign exchange rate changes, on cash held		184	—
Cash and cash equivalents at 31 December	24	10,587	31,628

The notes on pages 22 to 51 form part of the financial statements.