

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2006

	NOTES	2006 HK\$'000	2005 HK\$'000
Operating activities			
Loss before taxation		(25,422)	(7,022)
Adjustments for:			
Allowance for financial lease receivables		1,490	–
Allowance for bad and doubtful debts		414	190
Provision for litigation		3,000	4,000
Amortisation of intangible assets		4,850	4,481
Amortisation of prepaid lease payment		–	758
Depreciation		2,741	2,733
Loss on disposal of intangible assets		456	–
Loss on disposal of property, plant and equipment		942	440
(Gain) loss on disposal of subsidiaries	27	(3,349)	4,319
Net exchange losses		282	363
Fair value gain on investment properties, net		(1,037)	(7,080)
Impairment of property, plant and equipment		157	–
Impairment of intangible assets		1,820	–
Impairment of finance lease receivables		6,475	–
Share-based payment expense		442	8,042
Interest income		(178)	(141)
Interest expenses		17,883	5,978
Profit before working capital changes		10,966	17,061
Increase in inventories		(1,816)	–
Increase in trade receivables, other receivables and prepayments		(5,448)	(10,296)
Increase in trade payables, other payables and accruals		5,668	5,020
Payment for litigations		(7,000)	–
Cash generated from operations		2,370	11,785
Interest paid		(17,564)	(3,228)
Hong Kong profits tax (paid) refunded		(2)	40
Net cash (used in) generated from operating activities		(15,196)	8,597

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for the year ended 31 December 2006

	NOTES	2006 HK\$'000	2005 HK\$'000
Investing activities			
Interest received		178	141
Proceeds from disposal of property, plant and equipment		–	96
Acquisition of interests in subsidiaries, net of cash acquired	26	(3,870)	156
Disposal and liquidation of subsidiaries, net of cash disposed of and distributed upon liquidation and deregistration	27	(617)	2,716
Purchase of property, plant and equipment		(4,747)	(2,428)
Addition to investment properties		(558)	–
Purchase of intangible assets		(308)	(14)
Decrease (increase) in pledged bank deposits		8,692	(89)
Receipt of finance lease receivables		28,961	2,044
Net cash generated from investing activities		27,731	2,622
Financing activities			
New borrowings		28,000	13,396
Issue of shares on exercise of share options		436	6,897
Repayment of borrowings		(20,671)	(8,793)
Repayment of obligations under finance leases		(25,783)	(1,268)
Distribution of contributed surplus		(9,018)	–
Net cash (used in) generated from financing activities		(27,036)	10,232
Net (decrease) increase in cash and cash equivalents		(14,501)	21,451
Cash and cash equivalents at the beginning of the year		26,918	5,467
Cash and cash equivalents at the end of the year		12,417	26,918
Represented by:			
Bank balances and cash		12,417	27,374
Bank overdrafts		–	(456)
		12,417	26,918