

Consolidated Cash Flow Statement

For the year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
Cash flows from operating activities			
Loss before income tax		(45,114)	(19,678)
Adjustments for:			
Depreciation of property, plant and equipment		2,643	2,588
Amortisation of operating lease prepayments		430	311
Impairment and amortisation of goodwill		–	479
Finance costs		9,028	202
Share of results of associates		–	1,366
Interest income		(275)	(295)
Gain on disposal of property, plant and equipment		–	(40)
Share-based compensation expense		12,953	–
Operating loss before working capital changes		(20,335)	(15,067)
Decrease/(Increase) in trade receivables		7,129	(6,351)
(Increase)/Decrease in prepayments, deposits and other receivables		(83)	1,498
(Decrease)/Increase in trade payables		(6,584)	5,150
Increase/(Decrease) in other payables		4,362	(211)
Net cash used in operating activities		(15,511)	(14,981)
Cash flows from investing activities			
Purchase of property, plant and equipment		(12,893)	(52,595)
Payments for operating lease prepayments		–	(1,605)
(Increase)/Decrease in prepayment for purchase of property, plant and equipment and prepayment for a potential mining project		(102,391)	4,400
Capital investment in an associate		–	(14,324)
Acquisition of a subsidiary, net of cash acquired	37	–	(4,289)
Proceeds from disposal of property, plant and equipment		–	40
Interest received		275	295
Net cash used in investing activities		(115,009)	(68,078)
Cash flows from financing activities			
Decrease in pledged bank deposits		–	4,703
Decrease in bills payable		–	(4,801)
Proceeds from new bank loan		49,963	–
Repayment of bank loan		(23,832)	(15,506)
Proceeds from new other loans		102,672	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		8,994	4,801
Increase in amounts due to minority equity shareholders of subsidiaries		4,196	24,097
Finance costs paid		(10,940)	(2,936)
Net cash generated from financing activities		131,053	61,834
Net increase/(decrease) in cash and cash equivalents		533	(21,225)
Cash and cash equivalents at 1 January		10,587	31,628
Effect of foreign exchange rate changes, on cash held		(547)	184
Cash and cash equivalents at 31 December	24	10,573	10,587

The notes on pages 26 to 61 form part of the financial statements.