

Consolidated Cash Flow Statement

For the year ended 31 December 2006

	Note	2006 HK\$'000	2005 HK\$'000
Operating activities			
Loss for the year		(199,752)	(76,286)
Adjustments for:			
Amortisation of intangible assets		2,915	938
Amortisation of prepaid land lease payments		4	5
Depreciation		7,213	8,779
Gain on disposal of an associate		(2,390)	–
(Gain)/loss on disposals of property, plant and equipment		(86)	635
Loss on disposal of subsidiaries		–	14,154
Loss/(gain) on partial disposals of subsidiaries		1,158	(3,037)
Impairment losses on non-current assets held for sale		14,420	–
Impairment losses on associates		–	3,321
Impairment losses on goodwill		77,000	–
Impairment losses on intangible assets		–	3,423
Impairment losses on inventories and receivables		38,482	35,472
Impairment losses on prepayments for investments		32,500	–
Income tax expense		324	1,727
Interest expenses		4,450	3,433
Interest income		(679)	(3,520)
Valuation gains on investment properties		–	(2,050)
Recognition of share-based payments		4,533	–
Share of losses of associates		1,301	12,895
Waiver of amount due to an associate		(9,347)	–
Written off inventories		–	1,903
Operating (loss)/profit before changes in working capital		(27,954)	1,792
Increase in inventories		(2,141)	(6,506)
Increase in accounts receivable		(4,021)	(14,963)
Decrease in bills receivable		–	19
Decrease in retentions receivable from customers		811	1,369
Decrease in gross amount due from customers for contract work		1,075	2,134
Decrease/(increase) in prepayments, deposits and other receivables		14,628	(21,522)
(Decrease)/increase in accounts payable		(12,339)	21,275
(Decrease)/increase in bills payable		(2,654)	3,712
Decrease in gross amount due to customers for contract work		(1,905)	(701)
(Decrease)/increase in amounts due to directors		(5,684)	5,684
Increase in receipts in advance		2,185	699
Increase/(decrease) in other payables and accrued expenses		11,053	(7,793)
Cash used in operations		(26,946)	(14,801)

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	Note	2006 HK\$'000	2005 HK\$'000
Tax paid			
Hong Kong profits tax recovered/(paid)		603	(964)
PRC income tax paid		(718)	(863)
Net cash used in operating activities		(27,061)	(16,628)
Investing activities			
Increase in interest in a subsidiary		–	(7,628)
Acquisition of subsidiaries, net of cash acquired	37(a)	21,145	–
Proceeds from deposit for disposal of SI Companies		13,000	–
Proceeds from disposal of subsidiaries, net of cash disposed of		–	28,053
Capital injection to an associate		–	(48,075)
Increase in amounts due from associates		(18,127)	(33,980)
Payments for purchases of property, plant and equipment		(640)	(7,431)
Payments for construction in progress		–	(5,849)
Proceeds from disposals of property, plant and equipment		180	86
Payments for purchases of intangible assets		–	(4,673)
Payments of deposits and prepayments for investments		–	(107,836)
Repayment of loans receivable		–	11,869
Capital injection from minority shareholder to a subsidiary		–	1,414
Proceeds from partial disposals of interests in subsidiaries		–	110
Interest received		679	3,520
Net cash generated from/(used in) investing activities		16,237	(170,420)
Financing activities			
Proceeds from issue of warrants		927	1,735
Proceeds from issue of shares		107,735	–
Share issuance expenses		(1,926)	–
Repayments of bank loans		(2,696)	(36,984)
Proceeds from new bank loans		10,000	33,599
Repayment from finance lease obligations		(421)	–
Repayment of other loans		–	(90)
Decrease in deposits with bank		–	126,228
Dividends paid to minority shareholders		–	(1,507)
Interest paid		(4,450)	(3,433)
Net cash generated from financing activities		109,169	119,548
Net increase/(decrease) in cash and cash equivalents		98,345	(67,500)
Effect of foreign exchange rates changes		5,264	5,492
Cash and cash equivalents at 1 January		(7,618)	54,390
Cash and cash equivalents at 31 December	27	95,991	(7,618)