

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2006

		Year ended 31 December 2006 HK\$'000	Period from 1 July 2004 to 31 December 2005 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(176,449)	(143,782)
Adjustments for:			
Finance costs	8	3,436	10,545
Depreciation	7	3,827	4,001
Recognition of prepaid land lease payments	7	558	10
Loss on disposal of items of property, plant and equipment	7	2,615	3,038
Interest income	6	(1,602)	(1,288)
Impairment/(reversal of impairment) of trade receivables	7	1,828	(10,809)
Impairment of deposits and other receivables		116,147	–
Impairment of items of property, plant and equipment		36,706	–
Impairment of available-for-sale investments		2,238	139,027
Impairment of interests in associates		39,091	27,980
Impairment of loans to shareholders of an associate		14,300	–
Equity-settled employee share option expense	29	7,471	–
Gain on disposal of subsidiaries	6	(39,638)	(2,917)
Gain on disposal of an associate	6	–	(1,446)
Gain on disposal of an available-for-sale investment	6	–	(6,123)
Share of profits and losses of associates		137	826
Share of profits and losses of jointly-controlled entities		251	235
		10,916	19,297
Decrease in available-for-sale investments		–	11,268
Decrease/(increase) in inventories		(1,041)	7,281
Decrease/(increase) in trade receivables		(22,124)	4,218
Decrease/(increase) in prepayments, deposits and other receivables		(52,877)	16,430
Decrease/(increase) in an amount due from an associate		3,840	(3,617)
Increase in an amount due from a jointly-controlled entity		(1,678)	–
Increase/(decrease) in trade payables		6,271	(15,935)
Decrease in other payables and accruals		(14,758)	(4,529)
Increase/(decrease) in an amount due to an associate		82	(2,069)
Increase/(decrease) in amounts due to jointly-controlled entities		(9,302)	8,762
Cash generated from/(used in) operations		(80,671)	41,106
Overseas taxes paid		(2,530)	(468)
Net cash inflow/(outflow) from operating activities		(83,201)	40,638

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2006

	Notes	Year ended 31 December 2006 HK\$'000	Period from 1 July 2004 to 31 December 2005 HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,602	1,288
Purchases of items of property, plant and equipment	14	(71,475)	(92,614)
Deposits paid for acquisition of plant and machinery		(14,226)	(30,714)
Increase in prepaid land lease payments	15	(11,384)	(3,022)
Proceeds from disposal of items of property, plant and equipment		–	2,624
Acquisition of subsidiaries	31	76	(11,490)
Acquisition of an additional interest in a subsidiary		(873)	–
Acquisition of jointly-controlled entities		–	(18,300)
Purchases of available-for-sale investments		(600)	(1,412)
Disposal of subsidiaries	32	6,998	8,017
Disposal of an associate		–	14,130
Disposal of an available-for-sale investment		–	6,123
Loans to shareholders of an associate		–	(11,000)
Loan to a partner of a jointly-controlled entity		(6,300)	(2,700)
Net cash outflow from investing activities		(96,182)	(139,070)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid	8	(2,859)	(6,118)
Interest element of finance lease rental payments	8	(31)	(126)
Proceeds from issue of shares	28(b)	139,450	152,981
Proceeds from issue of shares upon exercise of share options	28(c)	11,800	–
Proceeds from issue of warrants	28	–	1,600
Share issue expenses	28	(2,448)	(6,315)
Repayment of a loan from an associate		–	(14,130)
Capital element of finance lease rental payments		(236)	(1,527)
Repayment of bank loans		(40,060)	(106,489)
New bank loans		81,310	74,684
Capital contribution from minority shareholders		28,343	3,732
Advance from/(to) minority shareholders, net		(9,827)	1,114
Net cash inflow from financing activities		205,442	99,406
NET INCREASE IN CASH AND CASH EQUIVALENTS		26,059	974
Cash and cash equivalents at beginning of year/period		32,358	31,384
Effect of foreign exchange rate changes, net		1,130	–
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		59,547	32,358
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		59,547	32,358