

# CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before tax:			
From continuing operations		<b>289,976</b>	(46,649)
From discontinued operations	13	<b>32,728</b>	41,621
Adjustments for:			
Share of profits and losses of:			
A jointly-controlled entity		<b>359</b>	910
Associates		<b>(110,918)</b>	(90,145)
Interest income from convertible notes and loans receivable	5	<b>(18,680)</b>	(17,986)
Interest income on bank deposits	5	<b>(14,497)</b>	(13,902)
Dividend income from listed investments	5	<b>(17,287)</b>	(5,800)
Allowance/(write-back of allowance) for doubtful debts, net	5, 6	<b>2,981</b>	(4,052)
Fair value gains on investment properties	5	<b>(2,530)</b>	(3,800)
Fair value losses/(gains) on investments			
at fair value through profit or loss	5, 6	<b>(136,601)</b>	27,329
Loss/(gain) on disposal of listed equity investments			
at fair value through profit or loss	5	<b>(34,485)</b>	35,767
Loss on deemed disposal of interests in associates	6	<b>—</b>	1,801
Gain on disposal of subsidiaries	5	<b>(36,144)</b>	—
Gain arising from redemption of convertible notes	5	<b>(3,066)</b>	—
Gain on redemption of investments at fair value through profit or loss		<b>(32)</b>	—
Gain on derecognition of investments at fair value through profit or loss	5	<b>(17,229)</b>	—
Fair value losses/(gains) on convertible debentures and notes	5, 6	<b>3,682</b>	(2,415)
Excess over the cost of acquisitions of an additional interest in a subsidiary	5	<b>—</b>	(9,525)
Impairment loss on an available-for-sale investment	6	<b>—</b>	50,000
Provision against obsolete inventories	7	<b>1,039</b>	—
Depreciation	7	<b>10,194</b>	10,002
Write-back of impairment loss on a convertible note	5	<b>—</b>	(3,907)
Amortisation on prepaid land lease payments	7	<b>2,886</b>	2,795
Loss/(gain) on disposal of items of property, plant and equipment	7	<b>(82)</b>	116
Impairment losses on items of property, plant and equipment	6	<b>—</b>	751
Impairment losses on prepaid land lease payments	6	<b>—</b>	6,319
Finance costs	8	<b>10,684</b>	4,449
		<b>(37,022)</b>	(16,321)
Decrease/(increase) in inventories		<b>908</b>	(12,179)
Increase in trade debtors		<b>(78,801)</b>	(19,948)
Decrease/(increase) in other debtors, deposits and prepayments		<b>(4,316)</b>	3,846
Increase in bills receivable		<b>(251)</b>	(2,407)
Decrease/(increase) in investments at fair value through profit or loss		<b>(181,245)</b>	86,110
Decrease in loans receivable		<b>16,951</b>	119,529
Increase in trade creditors		<b>31,046</b>	13,202
Increase/(decrease) in bills payable and trust receipt loans, secured		<b>(663)</b>	445
Increase/(decrease) in other payables		<b>(363)</b>	898
Increase/(decrease) in accrued expenses		<b>4,222</b>	(8,548)
Increase in customers' deposits received		<b>905</b>	2,516
Dividend received from listed investments		<b>4,221</b>	5,821
Interest income from convertible notes and loans receivable		<b>15,799</b>	20,865
Cash generated from/(used in) operations		<b>(228,609)</b>	193,829
Hong Kong profits tax paid		<b>(2,462)</b>	(4,674)
Net cash inflow/(outflow) from operating activities		<b>(231,071)</b>	189,155

# CONSOLIDATED CASH FLOW STATEMENT (Continued)

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
Net cash inflow/(outflow) from operating activities		<b>(231,071)</b>	189,155
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of items of property, plant and equipment	16	<b>(45,303)</b>	(17,251)
Additions to prepaid land lease payments	18	—	(26,553)
Purchases of investment properties	17	—	(44,669)
Proceeds from disposal of items of property, plant and equipment		<b>96</b>	35
Proceeds received from disposal of subsidiaries		<b>56,000</b>	—
Proceeds from redemption of investments at fair value through profit or loss		<b>1,280</b>	—
Proceeds from exchange of investments at fair value through profit or loss		<b>4,825</b>	—
Interest received from bank deposits		<b>14,546</b>	13,802
Dividend received from an associate		<b>11,622</b>	5,460
Purchases of convertible debentures and notes		<b>(68,000)</b>	(56,330)
Proceeds from redemption of convertible debentures and notes		<b>38,500</b>	3,907
Deemed disposal of subsidiaries	37(a)	<b>(236,420)</b>	—
Acquisition of subsidiaries	36	—	(31,340)
Acquisition of additional interest in a subsidiary		<b>(992)</b>	(17,148)
Acquisition of associates		—	(30,595)
Loan to an associate	22	—	(3,000)
Increase in pledged time deposits		<b>(1,482)</b>	(2,202)
Net cash outflow from investing activities		<b>(225,328)</b>	(205,884)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Additions to bank loans		<b>493,391</b>	50,000
Repayment of bank loans		<b>(373,044)</b>	(50,542)
Interest paid		<b>(9,328)</b>	(2,573)
Loans from minority shareholders		—	3,394
Dividend paid		<b>(26,173)</b>	(25,360)
Dividends paid to minority shareholders		<b>(8,383)</b>	(5,588)
Net cash inflow/(outflow) from financing activities		<b>76,463</b>	(30,669)
NET DECREASE IN CASH AND CASH EQUIVALENTS		<b>(379,936)</b>	(47,398)
Cash and cash equivalents at beginning of year		<b>509,939</b>	557,614
Effect of foreign exchange rate changes, net		—	(277)
CASH AND CASH EQUIVALENTS AT END OF YEAR		<b>130,003</b>	509,939
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		<b>10,786</b>	73,861
Non-pledged time deposits with original maturity of less than three months when acquired		<b>119,217</b>	436,078
		<b>130,003</b>	509,939