

# Consolidated Cash Flow Statement

For the year ended 31 December 2006



	Notes	2006 HK\$'000	2005 HK\$'000
Operating activities			
Profit before taxation		25,220	6,539
Adjustments for:			
Interest on other loans		958	1,744
Interest on margin financing account		1,195	—
Depreciation		—	7
Loss on disposal of property, plant and equipment		—	16
Unrealised gain on trading securities		(38,743)	—
Credit arising from scheme of arrangement with creditors		—	(15,421)
Impairment of goodwill		3,116	—
Interest income		(1,181)	(160)
		<u>          </u>	<u>          </u>
Operating cash flows before changes in working capital		(9,435)	(7,275)
Decrease in inventories		416	—
Decrease in trade and other receivables		29,074	5,050
Decrease in trade and other payables		(626)	(5,619)
		<u>          </u>	<u>          </u>
Cash from/(used in) operations		19,429	(7,844)
Hong Kong profits tax paid		(107)	(24)
		<u>          </u>	<u>          </u>
Net cash from/(used in) operating activities		19,322	(7,868)
		<u>          </u>	<u>          </u>
Investing activities			
Payment for the purchase of trading securities		(188,296)	—
Deposit paid for acquisition of available-for-sale investment		(20,000)	—
Acquisition of a subsidiary	22	(876)	—
(Increase)/decrease in pledged bank deposits		(6,086)	3,988
Interest received		1,181	160
		<u>          </u>	<u>          </u>
Net cash (used in)/from investing activities		(214,077)	4,148
		<u>          </u>	<u>          </u>

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For the year ended 31 December 2006



	Notes	2006 HK\$'000	2005 HK\$'000
Financing activities			
Issue of rights shares		82,600	—
Share issuing expenses		(1,487)	—
Interest paid		(2,153)	(1,744)
Increase in margin financing loan		141,612	—
Secured other loans raised		—	15,000
Repayment of other loans		(15,000)	(15,000)
		<u>205,572</u>	<u>(1,744)</u>
Net cash from/(used in) financing activities			
		205,572	(1,744)
Net increase/(decrease) in cash and cash equivalents		10,817	(5,464)
Cash and cash equivalents at 1 January		1,465	6,929
		<u>12,282</u>	<u>1,465</u>
Cash and cash equivalents at 31 December	23		