

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2006

	Note	2006 HK\$'000	2005 HK\$'000
<b>Operating activities</b>			
Operating loss		(20,281)	(54,620)
Adjustments for:			
Interest income		(5,727)	(2,781)
Depreciation		3,813	5,183
Amortisation of prepaid operating lease payment		347	335
Loss on disposal of property, plant and equipment		14	8
Loss/(gain) on disposal of available-for-sale investment securities		1,910	(277)
Net realised and unrealised loss/(gain) on other financial assets at fair value through profit or loss		1,271	(814)
Gain on revaluation of investment properties		(5,460)	(3,580)
Impairment losses of assets		23,708	37,020
Impairment of doubtful debts and other receivables		245	1,442
Provision for clawback of fund performance fee income		—	8,915
Gain on disposal of an associated company		(397)	—
Gain on acquisition of a jointly controlled entity's subsidiary	34(a)	(780)	—
Loss on partial disposal of a jointly controlled entity's subsidiary		—	734
Loss on partial disposal of a jointly controlled entity		—	3,244
Gain on disposal of investment properties		—	(3)
Net exchange gain		(1,812)	(11,814)
Write back of impairment of doubtful debts and other receivables		(14)	(509)
Dividend income from available-for-sale investment securities		(6,284)	(2,197)
Share option expenses		12,077	4,038
Other employee benefits		—	(2,157)
Other income		(8,760)	(2,047)
<b>Operating loss before changes in working capital</b>		<b>(6,130)</b>	<b>(19,880)</b>
Decrease/(increase) in other assets		49	(278)
Increase in inventories		(3,062)	(2,105)
Decrease/(increase) in trade receivables		918	(2,294)
Decrease/(increase) in other receivables, prepayments and deposits		110	(13,205)
(Decrease)/increase in trade payables		(2,488)	18,075
Increase in other payables and deposits received		26,105	3,604
Decrease in pledged bank deposits		—	1,470

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2006

	Note	2006 HK\$'000	2005 HK\$'000
<b>Cash from/(used in) operations</b>		<b>15,502</b>	(14,613)
Interest received		5,355	3,035
Interest paid		(5,413)	(3,700)
Dividends received from available-for-sale investment securities		1,537	2,197
Dividends paid to minority shareholders of subsidiaries		(355)	(2,875)
Tax paid			
Hong Kong profits tax (paid)/refunded		(427)	110
Overseas tax paid		(269)	(254)
<b>Net cash from/(used in) operating activities</b>		<b>15,930</b>	(16,100)
<b>Investing activities</b>			
Purchase of property, plant and equipment		(2,460)	(3,271)
Proceeds from sale of property, plant and equipment		35	35
Proceeds from sale of investment properties		—	1,143
Purchase of available-for-sale investment securities and other financial assets through profit or loss		(9,341)	(5,443)
Proceeds from sale of available-for-sale investment securities		7,439	3,108
Cash return from available-for-sale investment securities		—	7,902
Acquisition of associated companies		(52,175)	—
Proceeds from disposal of associated companies		12,601	—
Repayment of loans receivables		—	294
Incorporation of a jointly controlled entity's subsidiary, net of cash paid		—	5,491
Disposal of subsidiaries	34(d)	(1,620)	—
Partial disposal of a jointly controlled entity	34(b)	—	(2,542)
Acquisition/(disposal) of a jointly controlled entity's subsidiary	34(a)&(c)	1,968	(1,484)
(Advance to)/repayment from associated companies		(1,575)	4,683
Payment of an investment deposit		(7,678)	—
<b>Net (used in)/cash from investing activities</b>		<b>(52,806)</b>	9,916

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2006

	Note	2006 HK\$'000	2005 HK\$'000
<b>Financing activities</b>			
Issue of ordinary shares		51,491	150
Share issuance expenses		(846)	(31)
Redemption of convertible notes		(1,000)	—
Capital contribution from minority interests		936	—
		<hr/>	<hr/>
<b>Net cash from financing activities</b>		<b>50,581</b>	119
		<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>13,705</b>	(6,065)
<b>Effect of adoption of proportionate consolidation of a jointly controlled entity</b>		<b>—</b>	22,528
<b>Cash and cash equivalents at the beginning of year</b>		<b>83,133</b>	66,670
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of year</b>		<b>96,838</b>	83,133
		<hr/> <hr/>	<hr/> <hr/>
<b>Analysis of cash and cash equivalents:</b>			
Cash and cash equivalents as shown in the consolidated balance sheet		<b>96,838</b>	83,133
		<hr/> <hr/>	<hr/> <hr/>