

# Consolidated Cash Flow Statement

For the year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
<b>OPERATING ACTIVITIES</b>			
(Loss) profit before taxation		<b>(20,055)</b>	49,790
Adjustments for:			
Interest expenses		<b>5,100</b>	–
Change in fair value of derivative financial instruments		<b>4,074</b>	–
Difference between the fair value of equity securities and the fair value of loan receivable	28	<b>(2,000)</b>	–
Impairment loss recognised in respect of available-for-sale investments		<b>21,149</b>	–
Interest income		<b>(3,069)</b>	(2,647)
Bad debts written off		<b>8,799</b>	2,540
Depreciation of property, plant and equipment		<b>687</b>	740
Amortisation of sole agency rights		<b>1,746</b>	1,686
Loss on disposal of property, plant and equipment		<b>5</b>	22
Loss on disposal of investments held for trading		<b>–</b>	3
Share-based payment expense		<b>–</b>	142
Operating cash flows before movements in working capital		<b>16,436</b>	52,276
(Increase) decrease in trade receivables		<b>(7,269)</b>	237
Increase in other receivables and prepayments		<b>(5,236)</b>	(2,696)
Increase in amount due from a jointly controlled entity		<b>–</b>	(6)
Increase in trade payables		<b>2,815</b>	2,733
Decrease in financial assets held for trading		<b>–</b>	13,077
Increase in other payables and accruals		<b>9,509</b>	3,514
Cash from operations		<b>16,255</b>	69,135
Overseas tax paid		<b>(12,988)</b>	(4,654)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>3,267</b>	64,481
<b>INVESTING ACTIVITIES</b>			
Acquisition of additional interest in controlled entities	27	<b>(92,066)</b>	–
Increase in pledged bank deposit		<b>(39,000)</b>	–
Purchase of property, plant and equipment		<b>(1,389)</b>	(1,406)
(Repayment to) advance from related companies		<b>(1,631)</b>	14,823
Interest received		<b>3,069</b>	2,647
Proceeds from disposals of subsidiaries		<b>–</b>	9,056
Increase in amount due from a jointly controlled entity		<b>–</b>	(5,850)
<b>NET CASH (USED IN) FROM INVESTING ACTIVITIES</b>		<b>(131,017)</b>	19,270

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	Note	2006 HK\$'000	2005 HK\$'000
FINANCING ACTIVITIES			
Proceeds from issue of convertible bond	26	<b>78,000</b>	–
New bank loan raised		<b>7,968</b>	–
Increase in amounts due to related companies		<b>1,116</b>	–
Proceeds from issue of shares		<b>609</b>	620
Dividend paid to shareholders		<b>(6,207)</b>	(15,492)
Interest paid		<b>(105)</b>	–
NET CASH FROM (USED IN) FINANCING ACTIVITIES		<b>81,381</b>	(14,872)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		<b>(46,369)</b>	68,879
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		<b>172,780</b>	102,523
NET EFFECT OF FOREIGN EXCHANGE RATE CHANGES		<b>5,295</b>	1,378
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash		<b>131,706</b>	172,780