



# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
<b>Cash flows from operating activities</b>			
(Loss)/Profit before income tax			
– from continuing operations		<b>(178,586)</b>	277,885
– from discontinued operation		–	(128)
Adjustments for :			
Depreciation of property, plant and equipment		<b>19,152</b>	15,186
Operating lease charge on prepaid land lease		<b>270</b>	525
Amortisation of intangible assets		<b>13,532</b>	6,080
Decrease arising from acquisition of the additional interests in a subsidiary over the consideration arising from conversion of convertible notes by the Group		–	(185,501)
Net gain on disposal of subsidiaries	47(a)	–	(24,850)
Gain on disposal of intangible assets		–	(2,100)
Loss on disposal of property, plant and equipment		<b>3,214</b>	198
Provision for impairment of receivables		<b>16,663</b>	1,472
Impairment loss on goodwill		<b>289,800</b>	–
Write off of property, plant and equipment		<b>872</b>	137
Share of results of associates		<b>(2,161)</b>	(756)
Equity-settled share-based compensation expenses		<b>543</b>	5,967
(Gain)/Loss on disposal of an associate		<b>(1,358)</b>	1,868
Loss on partial disposal of a subsidiary		<b>1,017</b>	–
Interest income		<b>(981)</b>	(2,487)
Interest expenses		<b>9,194</b>	8,460
Operating profit before working capital changes		<b>171,171</b>	101,956
(Increase)/Decrease in fair value of financial assets at fair value through profit or loss		<b>(25)</b>	44
Increase/(Decrease) in amounts due to associate(s)		<b>81</b>	(1,026)
Decrease/(Increase) in inventories		<b>1,589</b>	(453)
Decrease/(Increase) in trade receivables		<b>17,809</b>	(117,210)
Increase in deposits, prepayments and other receivables		<b>(258,051)</b>	(316,356)
(Decrease)/Increase in trade payables, other payables and accruals		<b>(34,527)</b>	119,040
(Decrease)/Increase in amount due to a director		<b>(2,569)</b>	48,460
Decrease in amounts due to shareholders		–	(4)
Increase in deferred revenue		<b>5,853</b>	10,970
Increase in amount due to ultimate holding company		<b>28,172</b>	495,782
Net cash (used in)/generated from operations		<b>(70,497)</b>	341,203
Net income tax refund/(paid)		<b>8,281</b>	(19,409)
Net cash (used in)/generated from operating activities		<b>(62,216)</b>	321,794

**CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
<b>Cash flows from investing activities</b>			
Payments to acquire property, plant and equipment		(32,198)	(17,260)
Proceeds from disposal of property, plant and equipment		281	1
Proceeds from disposal of intangible assets		–	21,412
Repayments to a prospective investee company		–	(9,283)
Net cash outflow in respect of disposal of subsidiaries	47(a)	–	(52)
Net cash outflow from distribution of a subsidiary	47(b)	–	(317)
Net cash outflow from acquisition of a subsidiary	47(c)	(4,074)	–
Payment to acquire intangible assets		(28,435)	(23,113)
Receipts in consideration for disposal of other investments in the previous year		150,000	–
Advances to prospective investee companies		–	(19,017)
Increase in deposits		(38,879)	(223,324)
Interest received		981	2,487
Net cash generated from/(used in) investing activities		47,676	(268,466)
<b>Cash flows from financing activities</b>			
Proceeds from bank and other borrowings		34,170	12,968
Repayments of bank and other borrowings		(31,267)	(13,936)
Repayments of finance lease liabilities		(115)	–
(Repayments to)/Receipts from securities brokers and margin financiers		(2,421)	1,892
Interest paid		(11,372)	(43,462)
Net cash used in financing activities		(11,005)	(42,538)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(25,545)</b>	10,790
<b>Cash and cash equivalents at 1 January</b>		<b>65,458</b>	51,973
Effect of foreign exchange rate changes, on cash held		3,154	2,695
<b>Cash and cash equivalents at 31 December</b>		<b>43,067</b>	65,458