

# CONSOLIDATED CASH FLOW STATEMENT

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For the year ended 31st December, 2006

	2006 HK\$	2005 HK\$
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	<b>16,562,244</b>	15,652,729
Adjustments for:		
Amortisation of prepaid lease payments	<b>204,179</b>	204,179
Finance costs	<b>660,854</b>	359,669
Imputed interest income on debt component of convertible notes	<b>(700,846)</b>	–
Interest income	<b>(1,132,567)</b>	(359,012)
Dividend income from available-for-sale investments	<b>(165,669)</b>	(79,026)
Depreciation	<b>3,223,671</b>	3,136,740
Gain on disposal of subsidiaries and discontinued operations	<b>(5,575,474)</b>	–
Gain on disposal of interest in an associate	<b>(16,804,646)</b>	(2,872,542)
Gain on disposal of a jointly controlled entity	<b>(13,566,390)</b>	–
Net loss (gain) on deemed disposal of an associate	<b>1,648,160</b>	(11,320,610)
Impairment of interest in an associate	<b>240</b>	–
Loss on disposal of available-for-sale investments	–	31,278
Loss on disposal of property, plant and equipment	<b>17,409</b>	16,844
Share of results of a jointly controlled entity	–	1,215,879
Share of results of an associate	<b>11,763,146</b>	(9,332,317)
Write off of amount due from an associate	<b>22,104</b>	–
Share-based payment expense	<b>2,182,869</b>	4,249,740
Increase in fair value of held-for-trading investments	<b>(3,595,402)</b>	(2,854,053)
Increase in fair value of investment properties	<b>(1,422,269)</b>	(3,400,000)
Decrease in fair value of embedded derivative of convertible notes	<b>387,668</b>	–
Operating cash flows before movements in working capital	<b>(6,290,719)</b>	(5,350,502)
Increase in inventories	<b>(692,416)</b>	(1,217,709)
Increase in held-for-trading investments	<b>(1,053,348)</b>	(9,674,998)
(Increase) decrease in trade and other receivables	<b>(1,074,426)</b>	2,537,267
Decrease in amount due from a minority shareholder	<b>1,030,147</b>	642,504
Decrease in amount due from an associate	–	23,796
Increase in trade and other payables	<b>2,041,838</b>	453,185
Increase in amount due to a minority shareholder	<b>30,192</b>	329,165
Cash used in operations	<b>(6,008,732)</b>	(12,257,292)
Overseas tax paid	<b>(139,330)</b>	(207,891)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(6,148,062)</b>	(12,465,183)

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2006

	NOTE	2006 HK\$	2005 HK\$
<b>INVESTING ACTIVITIES</b>			
Interest received		1,132,567	359,012
Increase in amount due from related companies		(993,748)	–
Proceeds on disposal of property, plant and equipment		–	60,731
Proceeds on disposal of available-for-sale investments		–	1,844,722
Acquisition of investment properties		(3,577,731)	–
Investment in an associate		(236,704)	–
Proceeds from disposal of interest in an associate		23,863,242	4,900,000
Net cash outflow arising on disposal of subsidiary	40	(139,187)	–
Acquisition of property, plant and equipment		(1,599,627)	(308,485)
Dividend received from an associate		4,247,246	1,768,898
Decrease in pledged bank deposits		641,820	364,626
Increase in deposits held at financial institutions		(3,116,548)	(54,664)
Decrease (increase) in deposits paid for acquisition of property		739,793	(3,440,053)
Acquisition of available-for-sales investments		(10,488,657)	–
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>10,472,466</b>	<b>5,494,787</b>
<b>FINANCING ACTIVITIES</b>			
Dividend paid to minority shareholders		–	(993,008)
Net proceeds from issue of shares		–	28,730,990
Increase in amounts due to related companies		62,350	–
Decrease in amounts due to directors		(680,730)	(2,064,177)
Decrease in amount due to a jointly controlled entity		(507,550)	–
Contribution by minority shareholder of a subsidiary		–	49
New bank and other loans raised		39,759,877	20,117,961
Repayment of bank and other loans		(44,176,584)	(11,376,680)
Repayment of obligations under a finance lease		(106,760)	(23,366)
Interest paid on bank and other loans		(607,606)	(342,809)
Interest paid on finance lease		(53,248)	(16,860)
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES</b>		<b>(6,310,251)</b>	<b>34,032,100</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(1,985,847)</b>	<b>27,061,704</b>
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>		<b>41,573,679</b>	<b>14,466,764</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>		<b>938,627</b>	<b>45,211</b>
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD, represented by bank balances and cash</b>		<b>40,526,459</b>	<b>41,573,679</b>