

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES			
Profit before taxation		784,044	104,607
Adjustments for:			
Interest income		(11,013)	(14,837)
Depreciation of property, plant and equipment		389	617
Write-down of inventories		1,070	92
Interest expense		10,897	1,571
Amortisation of prepaid lease payments		59	59
Gain on disposal of an associate		(1,740)	–
Net realised gain on derivatives		(1,594)	(1,464)
Realisation gain on disposal of available-for-sale investments		(26,268)	–
Changes in fair value of investments held for trading		(439,498)	(61,506)
Discount on early redemption of loan notes		3,962	1,000
Fair value changes on investment properties		(6,856)	(11,360)
Revaluation surplus on buildings		(387)	(773)
Gain on disposal of a subsidiary		–	(3,544)
Operating cash flow before movements in working capital		313,065	14,462
(Increase) decrease in inventories		(1,046)	8,039
Increase in investments held for trading		(362,954)	(122,997)
(Increase) decrease in debtors, deposits and prepayments		(21,822)	16,404
(Increase) decrease in loan receivables		(49,169)	1,078
Increase (decrease) in creditors and accrued charges		38,920	(42,876)
Increase (decrease) in customers' deposits and receipts in advance		58,597	(800)
Cash used in operating activities		(24,409)	(126,690)
Interest paid		(10,897)	(1,571)
Tax paid		(3,718)	(100)
NET CASH USED IN OPERATING ACTIVITIES		(39,024)	(128,361)

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
INVESTING ACTIVITIES			
Proceeds from disposal of available-for-sale investment		42,122	–
Net proceeds from redemption of loan notes		39,503	59,000
Decrease in pledged bank deposits		10,526	4,656
Interest received		3,877	4,888
Proceeds on disposal of an associate		1,740	–
Purchases of investment property		(19,114)	–
Purchases of convertible bond		(6,626)	–
Purchases of property, plant and equipment		(101)	(88)
Proceeds from disposal of an investment property		–	100
Purchases of available-for-sale investments		–	(7,760)
Acquisition of a subsidiary	39	–	(30,971)
Disposal of a subsidiary	40	–	3,544
NET CASH FROM INVESTING ACTIVITIES		71,927	33,369
FINANCING ACTIVITIES			
New borrowings raised		1,451,630	151,048
Repayments of borrowings		(1,382,516)	(50,062)
Repurchase of shares		(46,378)	(5,568)
Dividends paid		(14,280)	(15,060)
NET CASH FROM FINANCING ACTIVITIES		8,456	80,358
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		41,359	(14,634)
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES		(171)	(812)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		16,819	32,265
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash		58,007	16,819