

## Consolidated Cash Flow Statement

For the year ended 31st December 2006

|  |       | 2006            | 2005             |
|--|-------|-----------------|------------------|
|  | Notes | HK\$'000        | HK\$'000         |
| <b>Cash flows from operating activities</b>                        |       |                 |                  |
| Cash generated from/(used in) operations                           | 28(a) | 26,632          | (168,768)        |
| Interest paid  |       | (559)           | (565)            |
| Tax paid   |       | —               | 449              |
| <b>Net cash from/(used in) operating activities</b>                |       | <b>26,073</b>   | <b>(168,884)</b> |
| <b>Cash flows from investing activities</b>                        |       |                 |                  |
| Interest received  |       | 248             | 3,098            |
| Purchases of property, plant and equipment                         |       | (6,913)         | (245)            |
| Acquisition of subsidiaries net of cash                            | 28(b) | (1,084)         | (3,675)          |
| Loan to a jointly controlled entity                                |       | —               | 93,135           |
| Additions of intangible assets                                     |       | (37,917)        | (5,436)          |
| Receipt of preference dividend                                     |       | 29,000          | 2,000            |
| Purchases of financial assets                                      |       | —               | (10,000)         |
| Payment of transaction costs for acquisition                       |       | (2,509)         | —                |
| Disposal of subsidiaries net of cash                               |       | —               | 3,901            |
| Capital injection for establishment of a jointly controlled entity |       | (500)           | —                |
| Capital injection from a minority shareholder of a subsidiary      |       | 147             | —                |
| <b>Net cash (used in)/generated from investing activities</b>      |       | <b>(19,528)</b> | <b>82,778</b>    |
| <b>Cash flows from financing activities</b>                        |       |                 |                  |
| Increase in pledged bank deposit                                   |       | (17,000)        | —                |
| Proceeds on issue of shares, net of expenses                       |       | —               | 76,188           |
| Decrease in amounts due to fellow subsidiaries                     |       | —               | (5,000)          |
| Increase in short-term loans                                       |       | 8,018           | 14,758           |
| <b>Net cash (used in)/generated from financing activities</b>      |       | <b>(8,982)</b>  | <b>85,946</b>    |
| <b>Net decrease in cash and cash equivalents</b>                   |       | <b>(2,437)</b>  | <b>(160)</b>     |
| Cash and cash equivalents at 1st January                           |       | 15,548          | 14,152           |
| Exchange gain on cash and cash equivalents                         |       | 336             | 1,556            |
| <b>Cash and cash equivalents at 31st December</b>                  |       | <b>13,447</b>   | <b>15,548</b>    |

The notes on pages 34 to 83 are an integral part of these consolidated financial statements.