

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2006

	Note	2006 HK\$'000	2005 HK\$'000
LOSS BEFORE TAXATION		(16,444)	(3,008)
Adjustments for:			
Reversal of previous revaluation deficits of leasehold buildings, net		—	(5,270)
Write back of provision against properties held for sale		—	(200)
Share of profits less losses of associates		—	(1,997)
Bank interest income		(21,383)	(9,025)
Other interests income		(16)	(7,102)
Dividend income from financial asset through profit and loss		(288)	(106)
Gain on disposal of controlling interest in Swank	41(a)	—	(42,244)
Gain on disposal of a subsidiary	41(b)	(557)	—
Gain on deregistration of subsidiaries		—	(2,973)
Impairment loss on interest in associates		5,525	—
(Gain)/loss on disposal of properties held for sale		(5)	143
Depreciation on property, plant and equipment		23,021	26,539
Amortisation of leasehold land and land use rights		250	252
Amortisation of prepaid rental		737	737
Amortisation of deferred product development costs		1,921	1,641
Write back of provision for impairment loss on inventories		(661)	—
Provision for inventories		—	1,190
Impairment loss on a loan receivable		1,500	45,000
Loss on disposal of property, plant and equipment		356	44
Impairment loss on accounts receivable		6,042	—
Gain in value of financial assets at fair value through profit or loss		(987)	—
Gain on disposal of financial asset at fair value through profit or loss		(4,710)	(72)
Gain on disposal of investment properties		—	(2,715)
Net loss arising from fair value change of investment properties		889	490
Operating (loss)/profit before working capital changes		(4,810)	1,324
Additions to deferred product development costs		(3,489)	(2,599)
Increase in balances with associates, net		—	(2,183)
Decrease in financial assets at fair value through profit or loss		—	4,122
Decrease/(increase) in inventories		3,642	(6,542)
Decrease in accounts receivable		21,811	9,081
(Increase)/decrease in bills receivable		(4,308)	574
Decrease/(increase) in loans receivable		6,323	(48,979)
Decrease in interest receivable on loans		—	7
Decrease/(increase) in prepayments, deposits and other receivables		25,787	(20,156)
Increase/(decrease) in accounts payable		11,241	(683)
(Decrease)/increase in other payables and accruals		(8,949)	19,508
Cash generated/(used) from operations		47,248	(46,526)
Income tax paid		(1,844)	(1,503)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		45,404	(48,029)

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For the year ended 31 December 2006

	Note	2006 HK\$'000	2005 HK\$'000
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(14,479)	(9,632)
Proceeds from disposal of property, plant and equipment		281	543
Purchase of investment properties		(17,572)	(6,740)
Proceeds from disposal of investment properties		5,241	73,215
Purchase of available-for-sale financial assets		—	(11,744)
Purchase of properties held for sale		(5,439)	(5,870)
Proceeds from disposal of properties held for sale		6,205	5,727
Purchase of financial assets at fair value through profit or loss		(61,089)	—
Proceeds from disposal of financial asset at fair value through profit and loss		56,034	976
Dividend received from financial assets through profit or loss		288	106
Interest received		21,383	9,025
Net cash outflow from disposal of controlling interest in Swank	41(a)	—	(8,526)
Net cash inflow from disposal of a subsidiary	41(b)	15,765	—
NET CASH INFLOW FROM INVESTING ACTIVITIES		6,618	47,080
FINANCING ACTIVITIES			
Net cash inflow from share issue		173,429	—
Share issue expense		(2,496)	—
NET CASH INFLOW FROM FINANCING ACTIVITIES		170,933	—
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		222,955	(949)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		396,775	397,724
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		619,730	396,775

The notes on pages 30 to 93 form an integral part of these financial statements.