

Consolidated Cash Flow Statement

For the year ended 31 December 2005

	<i>Notes</i>	2005 HK\$'000	2004 HK\$'000 (restated)
OPERATING ACTIVITIES			
Loss for the year		(51,706)	(2,778)
Adjustments for:			
Depreciation		342	572
Gain on disposal of property, plant and equipment		(150)	—
Net realised loss on financial assets at fair value through profit or loss		994	2,330
Net unrealised loss (gain) on financial assets at fair value through profit or loss		15,506	(5,024)
Interest income		(1,217)	(4)
Interest expenses		88	2,129
Fair value adjustment on convertible note payable		—	563
Expenses recognised in respect of share option granted		13,441	—
Amortisation of the issue costs of convertible note payable		1,250	250
Dividend income		(843)	(576)
Share of results of associates		—	(1,027)
Share of results of joint ventures		221	282
Gain on disposal of subsidiaries		—	(2,909)
Gain on disposal of interests in associates		—	(12,254)
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Operating cash flows before movements in working capital		(22,074)	(18,446)
Decrease in inventories		249	591
(Increase) decrease in other receivables		(654)	359
Increase (decrease) in other payables		332	(1,765)
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Cash used in operations		(22,147)	(19,261)
Interest received		494	4
Interest paid		(88)	(2,129)
Dividend received		843	576
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NET CASH USED IN OPERATING ACTIVITIES		(20,898)	(20,810)
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INVESTING ACTIVITIES			
Purchases of financial assets at fair value through profit or loss		(88,602)	—
Purchases of property, plant and equipment		(25)	—
Proceeds from disposal of financial assets at fair value through profit or loss		8,060	29,518
Proceeds from disposal of property, plant and equipment		150	—
Proceeds from disposal of subsidiaries (net of cash and cash equivalents disposed of)	26	—	(192)
Proceeds from disposal of interests in associates	27	—	78,000
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NET CASH (USED IN) FROM INVESTING ACTIVITIES		(80,417)	107,326
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Consolidated Cash Flow Statement (Continued)

For the year ended 31 December 2005

	2005 HK\$'000	2004 HK\$'000 (restated)
FINANCING ACTIVITIES		
Loan to an investee company	(30,000)	—
Repayment of short-term borrowings	—	(25,000)
Redemption of convertible notes	(50,000)	(58,000)
Proceeds from issue of convertible notes	50,000	—
Costs in connection with issue of convertible notes	(1,250)	—
Proceeds from issue of new shares	79,969	—
Proceeds from exercise of share options	24,928	—
Proceeds from rights issue of shares	106,329	—
Expenses in connection with issue of new shares	(2,058)	—
Expenses in connection with rights issue of shares	(2,658)	—
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NET CASH FROM (USED IN) FINANCING ACTIVITIES	175,260	(83,000)
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NET INCREASE IN CASH AND CASH EQUIVALENTS	73,945	3,516
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	10,116	6,600
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CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	84,061	10,116
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ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	84,061	10,116
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