

Consolidated Cash Flow Statement

For the year ended 31st December, 2005

NOTES	1.1.2005 to 31.12.2005 HK\$'000	1.4.2004 to 31.12.2004 HK\$'000
OPERATING ACTIVITIES		
Loss for the year/period	(161,010)	(50,470)
Adjustments for:		
Interest income	(889)	(824)
Dividend income from listed securities	(847)	(283)
Depreciation of property, plant and equipment	3,476	300
Release of prepaid lease payments	38	-
Loss on disposal of property, plant and equipment	807	-
Increase in fair value of investment property	(260)	(180)
Share-based payment expenses	27,956	16,713
Impairment loss on trade receivables	3,765	-
Share of results of associates	10,263	17,527
Finance costs	3,189	9
Fair value adjustment on investments at fair value through income statement	7,950	-
Fair value adjustment on investments held for trading	1,066	-
Fair value adjustment on embedded derivatives	19,720	-
Impairment loss on goodwill	21,910	-
Impairment loss on property, plant and equipment	22,000	-
Allowance on inventories	2,261	-
Operating cash flows before movements in working capital	(38,605)	(17,208)
Decrease in inventories	14,654	-
Decrease in trade and other receivables	1,304	498
Increase in investments in securities	(23,106)	-
Decrease in trade and other payables	(16,641)	(2,641)
NET CASH USED IN OPERATING ACTIVITIES	(62,394)	(19,351)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(26,000)	(26)
Increase in pledged bank deposits	(10,178)	-
Increase in short term receivables	(5,476)	(15,113)
Prepaid lease payments	(357)	-
Acquisition of a subsidiary 34	12,782	-
Repayment of short term receivables	15,139	11,585
Disposal of a subsidiary 35	11,000	-
Interest received	889	824
Dividend income from listed securities	847	283
Proceeds on disposal of property, plant and equipment	56	-
Purchase of an associate	-	(998)
NET CASH USED IN INVESTING ACTIVITIES	(1,298)	(3,445)

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	1.1.2005 to 31.12.2005 <i>HK\$'000</i>	1.4.2004 to 31.12.2004 <i>HK\$'000</i>
FINANCING ACTIVITIES		
Proceeds from issue of convertible bonds	58,500	19,500
Proceeds from issue of shares	14,665	-
Other borrowing raised	3,906	-
Interest paid	(3,189)	-
NET CASH FROM FINANCING ACTIVITIES	73,882	19,500
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	10,190	(3,296)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR/PERIOD	18,754	22,047
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(268)	3
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD, represented by Bank balances and cash	28,676	18,754