

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		633,353	47,395
Adjustments for:			
Impairment of trade receivables/(write-back of impairment of trade receivables)	5, 6	2,288	(4,463)
Impairment of other receivables	6	46,492	—
Bank interest income	5	(14,647)	(5,729)
Depreciation and amortisation	8	11,308	9,354
Interest expenses	7	13,554	704
Share of profits and losses of associates		(4,299)	(5,211)
Fair value gains on investments at fair value through profit or loss, net	5	(10,013)	(3,953)
Fair value loss on conversion option derivative	6	1,383	1,592
Fair value gains on investment properties	5	(4,861)	(1)
Gain on disposal of a subsidiary	5	(3,082)	—
Gain arising from redemption of convertible note receivable	5	(1,334)	(240)
Gain on derecognition of a listed equity investment at fair value through profit or loss	5	(17,229)	—
Imputed interest income from convertible note receivable	5	(454)	(418)
Loss on disposals of items of property, plant and equipment	6	69	84
Excess over the cost of acquisition of subsidiaries	5	(605,038)	—
Equity-settled share option expense	6	1,972	—
Allowance for obsolete inventories	8	334	—
Operating cash flows before movements in working capital		49,796	39,114
Increase in properties under development		(3,895)	—
Increase in inventories		(4,718)	(12,179)
Decrease in due from related parties		14,926	—
Decrease/(increase) in trade and other receivables, prepayments and deposits		264,032	(18,005)
Decrease/(increase) in equity investments at fair value through profit or loss		(1,607)	37,968
Decrease/(increase) in deposits with brokerage companies		33,292	(30,736)
Increase/(decrease) in trade, bills and other payables and accruals		(197,634)	2,716
Redemption of convertible note receivable	22	16,000	—
Cash generated from operations		170,192	18,878
Proceed from derecognition of a listed equity investment at fair value through profit or loss		4,825	—
Hong Kong profits tax paid, net		(2,722)	(4,674)
Interest paid		(12,463)	(404)
NET CASH FROM OPERATING ACTIVITIES		159,832	13,800

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries	43	(12,317)	(31,144)
Acquisition of minority interest of a subsidiary		(990)	—
Dividend received from associates		4,796	—
Acquisition of associates		—	(30,549)
Increase in pledged bank deposits		(1,408)	(2,000)
Purchase of investment properties	16	—	(44,669)
Disposal of a subsidiary	45	49,000	—
Purchase of property, plant and equipment	15	(42,388)	(42,028)
Loan to an associate		—	(3,000)
Interest received from bank		14,647	5,729
Proceeds on disposals of items of property, plant and equipment		211	35
NET CASH FROM/(USED IN) INVESTING ACTIVITIES		11,551	(147,626)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(23,637)	(15,758)
Proceeds from issuance of share capital	41	932,865	—
Loan from minority shareholders of a subsidiary		—	3,394
Repayment of bank borrowings		(86,805)	(542)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES		822,423	(12,906)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		993,806	(146,732)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		160,049	307,058
EFFECT OF FOREIGN EXCHANGE RATE CHANGES, NET		(2,067)	(277)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		1,151,788	160,049
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	32	215,577	13,636
Non-pledged time deposits with original maturity of less than three months when acquired	32	936,211	146,413
		1,151,788	160,049