



CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2006
(EXPRESSED IN HONG KONG DOLLARS)

	Note	2006 \$'000	2005 \$'000
Operating activities			
Profit/(loss) before taxation			
– From continuing operations		(20,558)	(25,134)
– From discontinued operations		12,267	(30,725)
		(8,291)	(55,859)
Adjustments for:			
– Valuation (gain)/loss on investment properties		(15,794)	31,000
– Depreciation		1,369	1,568
– Impairment loss on trade and other receivables		877	3,866
– Impairment of goodwill		7,400	2,126
– Finance costs		3,645	1,919
– Dividend income from trading securities		(182)	(150)
– Interest income		(4,502)	(1,282)
– Share of profits less losses of an associate		–	(1,373)
– Loss on disposal of an associate		–	1,373
– Loss on disposal of property, plant and equipment		18	–
– Equity-settled share-based payment expenses		–	2,373
Operating loss before changes in working capital		(15,460)	(14,439)
Increase in inventories		(55)	(13)
Decrease in trade and other receivables		7,601	7,253
Decrease in trading securities		2,268	5,371
Decrease in trade and other payables		(26,831)	(29,531)
Increase in deferred income		13,330	9,568
Cash used in operations		(19,147)	(21,791)
Tax paid			
– PRC tax paid		(568)	(524)
Net cash used in operating activities		(19,715)	(22,315)

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FOR THE YEAR ENDED 31 DECEMBER 2006
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	Note	2006 \$'000	2005 \$'000
Investing activities			
Purchase of net assets, net of cash acquired	31	(215,559)	–
Payment for the purchase of property, plant and equipment		(1,836)	(345)
Proceeds from sale of an associate		–	46,698
Interest received		4,502	1,282
Dividends received from trading securities		182	150
Net cash (used in)/generated from investing activities		(212,711)	47,785
Financing activities			
Repayment of amount due from a minority shareholder		14,204	–
Proceeds from loans from minority shareholders		150,500	–
Capital injection from a minority shareholder		8,396	–
Proceeds from shares issued under placing		460,000	–
Proceeds from shares issued under share options scheme		3,918	–
Payment of transaction costs on issue of shares		(3,752)	–
Repayment of obligations under a finance lease		(117)	(249)
Repayment of bank loan		(32,910)	(4,000)
(Increase)/decrease in pledged bank deposits		(9,317)	5,243
Decrease/(increase) in pledged deposits in financial institutions		8,412	(2,204)
Interest paid		(2,479)	(1,919)
Net cash generated from/(used in) financing activities		596,855	(3,129)
Net increase in cash and cash equivalents		364,429	22,341
Cash and cash equivalents at 1 January		83,757	61,416
Effect of foreign exchange rate changes		901	–
Cash and cash equivalents at 31 December	20	449,087	83,757

The notes on pages 30 to 86 form part of these financial statements.