

Consolidated Cash Flow Statement

Year ended 31 December 2006

	Note	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES			
Loss before taxation		(114,761)	(131,715)
Depreciation expense		1,155	1,307
Reversal of impairment loss on interest in an associate		—	(75,036)
Impairment loss on the amount due from an associate		—	75,000
Increase in fair value of investment properties	15	(570)	(400)
Interest expenses on bank and other borrowings		2,380	3,595
Interest expenses on convertible notes		—	4,568
Interest income on convertible note issued by an associate		(4,680)	(7,124)
Dividend income from investments held for trading		(801)	—
Gain on disposal of property, plant and equipment		(291)	(119)
Loss on disposal of investment properties		490	237
Write back of provision for bad and doubtful debts		—	(5,050)
Profit on disposal of an unlisted investment		—	(20,528)
Profit on deemed disposal of interest in an associate		(8,429)	(1,406)
Loss on deemed acquisition of interest in an associate		—	13,331
Loss (profit) on disposal of interests in subsidiaries		143	(5,925)
Loss on disposal of convertible note issued by an associate		31,000	—
Equity-settled share-based payment		5,899	—
Share of loss of associates		79,010	99,351
Changes in working capital:			
Loans receivable		(63,249)	(57,844)
Other receivables		(493)	2,399
Investments held for trading		(105,192)	(10,724)
Other payables		(6,163)	1,517
Cash used in operations		(184,552)	(114,566)
Interest income received on convertible note issued by an associate		4,680	2,958
Net cash used in operating activities		(179,872)	(111,608)

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INVESTING ACTIVITIES			
Dividend received from investments held for trading		801	—
Purchase of interest in an associate		(69,900)	(50,000)
Purchase of property, plant and equipment		(2,025)	(1,812)
Proceeds from disposal of property, plant and equipment		575	273
Proceeds from disposal of investment properties		2,530	2,443
Proceeds from disposal of subsidiaries	26	7,000	24,720
Proceeds from disposal of other securities		—	38,000
Proceeds from disposal of convertible note issued by an associate		100,000	—
Proceeds from disposal of interest in an associate		75,000	—
Redemption of convertible note issued by an associate		—	25,300
Net cash from investing activities		113,981	38,924
FINANCING ACTIVITIES			
Issue cost of shares for acquisition of interest in an associate		(100)	—
Issue of shares for cash		—	122,464
Issue of shares under share option scheme		60,759	25,810
Issue of shares on exercise of warrants		—	1,867
New bank loans raised		5,600	—
New other loans raised	22	45,000	77,000
Issue of convertible notes		—	98,000
Repayment of bank loans		(5,704)	(13,655)
Repayment of other loans	22	(40,000)	(173,080)
Redemption of convertible notes		—	(53,000)
Interest paid on bank and other borrowings		(2,206)	(11,087)
Interest paid on convertible notes		—	(878)
Net cash from financing activities		63,349	73,441
Net (decrease) increase in cash and cash equivalents		(2,542)	757
Cash and cash equivalents at beginning of year		11,420	10,663
Cash and cash equivalents at end of year		8,878	11,420