

# Consolidated Cash Flow Statement

For the year ended 31 December 2006

	NOTE	2006 HK\$'000	2005 HK\$'000
<b>OPERATING ACTIVITIES</b>			
Loss for the year		(61,789)	(51,706)
Adjustments for:			
Depreciation		47	342
Fair value changes on investments held for trading		21,184	16,500
Interest income		(2,778)	(1,217)
Finance costs		6	1,338
Gain on disposal of property, plant and equipment		—	(150)
Expense recognised in respect of share option granted		—	13,441
Impairment loss on available-for-sale investment		13,489	—
Impairment loss on loan to an investee company		18,569	—
Gain on disposal of subsidiaries		(6,998)	—
Share of losses of jointly controlled entities		57	221
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Operating cash flows before movements in working capital		(18,213)	(21,231)
Decrease in inventories		845	249
Decrease (increase) in other receivables		1,167	(654)
Increase in investments held for trading		(70,958)	(80,542)
(Decrease) increase in other payables		(280)	332
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Cash used in operations		(87,439)	(101,846)
Interest received		1,443	494
Interest paid		(6)	(88)
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<b>NET CASH USED IN OPERATING ACTIVITIES</b>		<b>(86,002)</b>	<b>(101,440)</b>
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<b>INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment		(11)	(25)
Proceeds from disposal of property, plant and equipment		—	150
Proceeds from disposal of subsidiaries		—	—
(net of cash and cash equivalents disposed of)	26	—	—
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<b>NET CASH (USED IN) FROM INVESTING ACTIVITIES</b>		<b>(11)</b>	<b>125</b>
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## Consolidated Cash Flow Statement (Continued)

For the year ended 31 December 2006

	2006	2005
	HK\$'000	HK\$'000
<b>FINANCING ACTIVITIES</b>		
Loan to an investee company	—	(30,000)
Redemption of convertible notes	—	(50,000)
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)
Advance from jointly controlled entities	12,152	—
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<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>12,152</b>	<b>175,260</b>
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<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(73,861)</b>	<b>73,945</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>84,061</b>	<b>10,116</b>
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<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>10,200</b>	<b>84,061</b>
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<b>ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS</b>		
Bank balances and cash	10,200	84,061
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