

Consolidated Cash Flow Statement

For the year ended 31 December 2006

	Note	2006 HK\$'000	2005 HK\$'000
Operating activities			
Profit (Loss) before taxation		59,300	(30,058)
Adjustments for:			
Convertible loan note settlement (income) expense		(291)	85
Advertising and telecommunication services expenses	39(a)	5,393	–
Allowance for bad and doubtful debts (reversal of allowance)		2,876	(702)
Amortisation of intangible assets		4,131	–
Amortisation of prepaid lease payments		207	186
Depreciation of property and equipment		25,252	21,675
Employee share option benefits		2,035	203
Loss on deemed disposal of CRMG		–	974
Loss on disposal on intangible assets		199	–
Allowance for inventory obsolescence and write-off of inventories		3,544	–
Dividends from investments		(471)	(143)
Loss (Gain) on dilution of shareholding in subsidiaries and associates		4,182	(16,289)
Gain on disposal of associates		(71,100)	–
Impairment loss recognised in respect of property and equipment		5,951	–
Impairment loss recognised in respect of available-for-sale investments		–	10,800
Interest expenses		63,500	19,240
Loss (Gain) on disposal of property and equipment		2,331	(6,773)
Decrease (Increase) in fair value of derivative financial instrument		16	(64)
Share of (profit) loss of associates		(14,374)	26,728
Operating cashflow before movements in working capital		92,681	25,862
Decrease in inventories		9,424	–
Increase in account receivables		(307,574)	(106,777)
Decrease in loan receivables		19,052	1,670
Decrease (Increase) in prepayments, deposits and other receivables		11,837	(3,822)
Increase in amounts due from associates		(373)	–
(Increase) Decrease in listed investments held for trading		(11,725)	10,150
(Increase) Decrease in bank balances – trust and segregated accounts		(221,675)	80,254
Increase (Decrease) in account payables		331,051	(34,941)
Increase in deferred revenue		8,027	–
Increase (Decrease) in accrued liabilities and other payables		18,221	(41,098)
Cash used in operations		(51,054)	(68,702)
Income taxes paid		(1,045)	–
Dividends received		471	143
Net cash used in operating activities		(51,628)	(68,559)

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	Notes	2006 HK\$'000	2005 HK\$'000
Investing activities			
Deposit payment for acquisition of online game business by CFSG		–	(56,095)
Acquisition of subsidiaries	38	(44,053)	–
Proceeds from disposal of an associate	21	60,000	–
Increase in bank deposits under conditions		(16,550)	(343)
Proceeds from disposal of property and equipment		616	43,279
Purchase of property and equipment		(29,766)	(7,539)
Statutory and other deposits paid		(8,677)	(947)
Purchase of intangible assets		(1,931)	–
Net cash used in investing activities		(40,361)	(21,645)
Financing activities			
Increase in borrowings		62,548	–
Repayment of borrowings		–	116,805
Increase (Decrease) in bank overdrafts		59,610	(10,373)
New obligations under finance leases		967	–
Repayments of obligations under finance leases		(149)	(221)
Repayments of convertible loan note		(14,300)	(10,000)
Proceeds on issue of shares		61,248	–
Proceeds on issue of shares to minority interests		63,012	–
Contributions from minority shareholders		–	62,230
Dividend paid to minority shareholders by CFSG		(22,298)	(3,677)
Interest paid on obligations under finance leases		(108)	(15)
Share issue expenses		(1,487)	(300)
Interest paid on convertible loan note		(212)	(1,067)
Interest paid on bank and other loans		(63,212)	(17,874)
Deemed disposals of subsidiaries (net of cash and cash equivalents disposed)		(3,319)	(163,232)
Net cash from (used in) financing activities		142,300	(27,724)
Net increase (decrease) in cash and cash equivalents		50,311	(117,928)
Cash and cash equivalents at beginning of year		118,219	236,147
Effect of foreign exchange rate changes		39	–
Cash and cash equivalents at end of year		168,569	118,219
Being:			
Bank balances (general accounts) and cash		168,569	118,219