

# CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax:			
From continuing operations		(443)	(156,710)
From discontinued operations		(3,719)	(35,132)
Adjustments for:			
Finance costs	7	7,526	7,339
Share of profits and losses of associates		(396)	3,035
Bank interest income	5	(722)	(550)
Depreciation	14	16,783	19,854
Recognition of prepaid land premiums	17	58	58
Amortisation of intangible assets	6	—	1,327
Amortisation of goodwill	6	—	7,239
Impairment of goodwill	6	—	1,814
Loss on disposal of items of property, plant and equipment		1,476	190
Gain on disposal of leasehold land and buildings attributable to discontinuing operation		—	(4,697)
Loss on disposal of investment properties	6	—	638
Change in fair value of investment properties	5, 6	(12,503)	3,732
Impairment/(write-back of impairment) of properties under development	5, 6	(7,663)	63,591
Gain on partial disposal of a subsidiary	5	(2,349)	—
Gain on disposal of associates		(203)	—
Gain on disposal of equity investments at fair value through profit or loss/short term investments		—	(924)
Provision for an amount due from a jointly-controlled entity	6	—	21
Fair value gain on equity investment at fair value through profit or loss/short term investment	6	—	(1)
Impairment of goodwill remaining eliminated against capital reserve	6	—	29,454
Impairment/(write-back of impairment) of items of property, plant and equipment	14	(1,127)	22,819
Impairment of available-for-sale equity investments/ long term investments	6	6	847
Impairment of interests in and provision for amounts due from associates	6	12,426	5,200
Provision for inventories	6	1,056	3,649
Write-back of provision for bad and doubtful debts	5	(1,547)	(321)
Provision for deposit for purchase of a property	6	10,299	18,701



# CONSOLIDATED CASH FLOW STATEMENT (continued)

Year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
Write-back of other payables and accruals		(4,200)	—
Provision for other receivables	6	5,598	—
Write-back of provision for other receivables		(5,693)	—
Write-off of other receivables		1,897	—
Operating profit/(loss) before working capital changes		16,560	(8,827)
Decrease/(increase) in inventories		16,490	(807)
Increase in trade receivables		(18,527)	(8,704)
Decrease/(increase) in prepayments, deposits and other receivables		(1,358)	2,054
Increase in trade and bills payables		8,142	97
Increase in other payables and accruals		82,390	963
Exchange realignments		(472)	279
Increase in assets of disposal groups held for sale		(155,960)	—
Increase in liabilities of disposal groups held for sale		155,212	—
Cash generated from/(used in) operations		102,477	(14,945)
Interest paid		(7,447)	(7,287)
Interest element of finance lease rental payments		(50)	(65)
Dividend paid to minority interests		(356)	—
Overseas taxes refunded/(paid)		416	(5,211)
Hong Kong profits tax paid		(140)	(234)
Net cash inflow/(outflow) from operating activities		94,900	(27,742)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of items of property, plant and equipment		(9,176)	(10,633)
Proceeds from disposal of items of property, plant and equipment		3,877	23,986
Additions to properties under development		(59,035)	(28,030)
Advance to a jointly-controlled entity		—	(21)
Repayment from/(advance to) associates		(3,426)	593
Proceeds from disposal of associates		425	—
Proceeds from sale of equity investments at fair value through profit or loss/short term investments		—	4,342
Proceeds from partial disposal of a subsidiary	39	2,349	—
Decrease in pledged time deposits		—	5,200
Repayment of mortgage loans receivable		49	945
Increase in pension scheme asset		(271)	(171)
Interest received		655	550
Dividends received from associates		—	712
Proceeds from sale of investment properties		—	45,631
Net cash inflow/(outflow) from investing activities		(64,553)	43,104



## CONSOLIDATED CASH FLOW STATEMENT (continued)

Year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares	36	—	2,657
New bank loans		89,274	70,500
Repayment of bank loans		(84,875)	(109,131)
New other long term payables		—	29,328
Capital element of finance lease rental payments		(411)	(402)
Net cash inflow/(outflow) from financing activities		<u>3,988</u>	<u>(7,048)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of year		67,014	58,693
Cash and cash equivalents classified as assets of disposal groups held for sale		(4,648)	—
Effect of foreign exchange rate changes, net		(89)	7
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>96,612</u></u>	<u><u>67,014</u></u>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	30	<u><u>96,612</u></u>	<u><u>67,014</u></u>

