

# Consolidated Cash Flow Statement

For the year ended 31st December, 2005

	Note	2005 HK\$'000	2004 (Restated) HK\$'000
<b>Operating activities</b>			
Profit before tax		210,927	652,416
Adjustments for:			
Finance costs		5,136	1,526
Share of results of associates		(202,916)	(163,399)
Share of results of jointly controlled entities		(63,451)	(171,617)
Gain on disposal of interest in a property development project	10	—	(475,309)
Depreciation		10,918	8,271
Amortisation of prepaid lease payments on land use rights		67	66
Amortisation of goodwill		—	1,672
Amortisation of goodwill of an associate		—	529
Discount on acquisition of additional interest in an associate		(24,113)	—
Loss on deemed disposals of partial interest in an associate		7,516	6,964
Negative goodwill released to income		—	(3,181)
Negative goodwill of an associate released to income		—	(9,698)
Interest on bank deposits		(859)	(491)
Interest on investments at fair value through profit or loss/ other investments		(462)	(1,508)
Interests on finance lease receivables		(174)	—
Interests on other debtors		—	(26)
Dividends from investments at fair value through profit or loss/ other investments		(2,886)	(1,440)
(Gain) loss on disposal of property, plant and equipment, net		(3,340)	328
Loss (gain) on disposal of investments at fair value through profit or loss/other investments		1,431	(1,271)
Unrealised loss (gain) on revaluation of investments at fair value through profit or loss/other investments		7,682	(3,120)
Allowance for prepaid royalties		—	34,000
Write-down of inventories		1,357	—
Allowance for doubtful debts		616	—
Operating cash flows before movements in working capital		(52,551)	(125,288)
Increase in inventories		(1,288)	(4,387)
Decrease in amount due from customers for contract work		11,820	21,910
(Increase) decrease in debtors, deposits and prepayments and prepaid royalties		(14,521)	66,036
Increase (decrease) in amount due to customers for contract work		3,284	(5,967)
Decrease in creditors and accrued charges		(39,602)	(69,539)
Cash used in operations		(92,858)	(117,235)
Interest paid		(3,968)	(1,288)
Interest on finance lease and sale and leaseback arrangement paid		(12)	(40)
Hong Kong Profits Tax paid		(12,152)	(27,236)
Hong Kong Profits Tax refunded		8,412	—
Tax arising in other jurisdictions paid		(203)	(402)
<b>Net cash used in operating activities</b>		<b>(100,781)</b>	<b>(146,201)</b>

# Consolidated Cash Flow Statement

For the year ended 31st December, 2005

	Notes	2005 HK\$'000	2004 (Restated) HK\$'000
<b>Investing activities</b>			
Interest on bank deposits received		859	491
Interest on investments at fair value through profit or loss/ other investments received		462	1,508
Interests on other debtors received		—	26
Distribution of profits from jointly controlled entities		81,673	171,356
Dividends received from an associate		95,208	68,397
Dividends received from investments at fair value through profit or loss/other investments		2,886	1,440
Advances to associates		(9,154)	(2,487)
Advances to jointly controlled entities		(9,510)	(111,745)
Purchase of available-for-sale investments		(3,016)	—
Purchase of investments at fair value through profit or loss/ other investments		(20,276)	(153,449)
Increase in investment in associates		(47,165)	(53,369)
Net cash outflow on acquisition of subsidiaries	47	(5,658)	(35,633)
Capital contribution to a jointly controlled entity		(11,826)	—
Capital contribution from minority shareholders of subsidiaries		4,334	—
Loan from minority shareholders		19	—
Proceeds from disposal of interest in a property development project	10	—	573,652
Proceeds from disposal of interest in an associate		6,624	—
Proceeds from disposal of partial interest in a subsidiary		—	4,064
Proceeds from disposal of property, plant and equipment		3,558	2,483
Proceeds from disposal of investments at fair value through profit or loss/other investments		32,994	79,519
Decrease in pledged bank deposits		12,351	35,456
Purchase of property, plant and equipment		(29,865)	(9,129)
Expenditure on property and plant under construction		(7,525)	—
Increase in finance lease receivables		(3,556)	—
Repayment of finance lease receivables		2,356	—
<b>Net cash generated from investing activities</b>		<b>95,773</b>	<b>572,580</b>
<b>Financing activities</b>			
New bank loans raised		85,000	35,000
Other borrowings raised		28,302	—
Repayment of bank loans		(11,000)	(148,830)
Repayment of other borrowings		(231)	(248)
Dividends paid		(95,175)	(198,211)
Repayment to jointly controlled entities		(23,700)	(6,127)
Repayment to a related company		—	(10,000)
(Repayment to) advances from associates		(6,625)	28
Issue of shares on exercise of share options		—	2,677
<b>Net cash used in financing activities</b>		<b>(23,429)</b>	<b>(325,711)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(28,437)</b>	<b>100,668</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>148,068</b>	<b>50,904</b>
Effect of foreign exchange rate changes, net		(1,214)	(3,504)
<b>Cash and cash equivalents at end of the year, represented by bank balances and cash</b>		<b>118,417</b>	<b>148,068</b>