



CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2005

	Note	2005 HK\$'000	2004 (Restated) HK\$'000
Operating activities			
Operating (loss)/profit		(54,620)	13,333
Adjustments for:			
Interest income		(2,781)	(1,768)
Depreciation		5,183	5,068
Amortisation of prepaid operating lease payment		335	328
Goodwill amortisation		—	3,103
Loss on disposal of property, plant and equipment		8	35
Gain on disposal of available-for-sale investment securities/non-trading securities		(277)	(1,346)
Net realised and unrealised gains on trading investments		(814)	(196)
Write back of impairment of non-trading securities		—	(6,574)
Gain on revaluation of investment properties		(3,580)	(4,130)
Impairment losses of assets		37,020	—
Impairment of doubtful debts and other receivables		1,442	482
Provision for clawback of fund performance fee income		8,915	—
Gain on disposal of a subsidiary		—	(10,193)
Deemed gain on disposal of a subsidiary		—	(12,604)
Gain on deemed disposal of partial interest in a jointly controlled entity		—	(1,260)
Loss on partial disposal of a jointly controlled entity's subsidiary		734	—
Loss on partial disposal of a jointly controlled entity		3,244	—
Gain on disposal of investment properties		(3)	(420)
Net exchange (gain)/loss		(11,814)	3,379
Write back of impairment of doubtful debts and other receivables		(509)	(121)
Dividend income from available-for-sale investment securities/non-trading securities		(2,197)	(7,081)
Share option expenses		4,038	3,829
Other employee benefits		(2,157)	—
Other (income)/expense		(2,047)	1,770
Operating loss before changes in working capital		(19,880)	(14,366)
Increase in other assets		(278)	—
(Increase)/decrease in inventories		(2,105)	4,096
(Increase)/decrease in trade receivables		(2,294)	134
(Increase)/decrease in other receivables, prepayments and deposits		(13,205)	1,830
Decrease in trading investments		—	196
Increase/(decrease) in trade payables		18,075	(5,753)
Increase/(decrease) in other payables and deposits received		3,604	(986)
Decrease in pledged bank deposits		1,470	—
Decrease in net amount due to a related company		—	(10,793)



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Cash used in operations		(14,613)	(25,642)
Interest received		3,035	1,190
Interest paid		(3,700)	(3,993)
Dividends received from available-for-sale investment securities/non-trading securities		2,197	7,081
Dividends paid to minority shareholders of subsidiaries		(2,875)	(1,492)
Tax paid			
Hong Kong profits tax refunded/(paid)		110	(278)
Overseas tax paid		(254)	(59)
Net cash used in operating activities		(16,100)	(23,193)
Investing activities			
Purchase of property, plant and equipment		(3,271)	(2,904)
Proceeds from sale of property, plant and equipment		35	59
Proceeds from sale of investment properties		1,143	7,500
Purchase of available-for-sale investment securities/non-trading securities		(5,443)	(28,914)
Proceeds from sale of available-for-sale investment securities/non-trading securities		3,108	49,079
Cash return from available-for-sale investment securities		7,902	—
Advance of loans receivables		—	(7,800)
Repayment of loans receivables		294	—
Incorporation of a jointly controlled entity's subsidiary, net of cash paid		5,491	—
Partial disposal of a jointly controlled entity	34(a)	(2,542)	—
Disposal of a jointly controlled entity's subsidiary, net of cash received	34(b)	(1,484)	—
Payment for purchase of a subsidiary, net of cash acquired	34(d)	—	(7,370)
Payment made by a jointly controlled entity for acquisition of its subsidiary		—	(11,598)
Proceeds from disposal of subsidiaries, net of cash disposed of	34(c)	—	23,134
Proceeds from deemed disposal of partial interest in a jointly controlled entity, net of cash disposed of		—	(254)
Repayment from/(advance to) associated companies		4,683	(4,690)
Subscription of equity interest in a jointly controlled entity		—	(23,400)
Advance to jointly controlled entities		—	(3,335)
Net cash from/(used in) investing activities		9,916	(10,493)



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For the year ended 31 December 2005

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Financing activities			
Issue of ordinary shares by the Company		150	420
Issue of ordinary shares by a jointly controlled entity		—	15,605
Share issuance expenses		(31)	(11)
Issue of convertible notes		—	48,000
Repayment of bank loans		—	(2,830)
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Net cash from financing activities		119	61,184
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Net (decrease)/increase in cash and cash equivalents		(6,065)	27,498
Effect of adoption of proportionate consolidation of a jointly controlled entity		22,528	—
Cash and cash equivalents at the beginning of year		66,670	39,172
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Cash and cash equivalents at the end of year		83,133	66,670
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Analysis of cash and cash equivalents:			
Cash and bank balances as shown in the consolidated balance sheet		83,133	66,670
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