

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2005

	<i>Notes</i>	2005 HK\$'000	2004 <i>HK\$'000</i> <i>(Restated)</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		14,950	12,157
Adjustments for:			
Depreciation	6	7,795	5,548
Amortisation of deferred revenue	6	(400)	—
Recognition of prepaid land premiums	6	77	77
Goodwill amortisation and impairment	6	—	2,057
Finance costs	7	969	377
Dividend income from listed investments	5	(4,182)	(5,624)
Interest income	5	(19,130)	(7,767)
Share of profits and losses of associates		2,883	5,112
Gain on disposal of an associate		—	(23)
Fair value change/write-back of deficits on revaluation:			
Investment properties	6	(3,785)	(21,789)
Resort and recreational club properties	6	(2,612)	(3,822)
Write-back of accrued payables	6	(17,339)	(8,017)
Provision/(write-back of provision)			
for loans to an associate	6	(4,095)	1,365
Provision for other receivables	6	1,936	8,670
Gain on disposal of items of property, plant and equipment	6	(29)	(333)
Impairment of items of property, plant and equipment	6	242	—
Net realised and unrealised gains			
on short term investments	6	—	(14,170)
Impairment of long term investments	6	—	22,988
Fair values losses, net:			
Available-for-sale equity investments	6	783	—
Equity investments at fair value through profit or loss	6	4,169	—
Foreign exchange gains, net		(1,755)	(239)
Operating loss before working capital changes		(19,523)	(3,433)
Increase in inventories		(1,010)	(3,569)
Decrease in trade receivables		4,605	1,764
Increase in prepayments, deposits and other receivables		(3,454)	(172)
Decrease in trade and other payables		(11,021)	(25,444)
Decrease in amounts due from associates		641	223
Decrease in amounts due to an associate		—	(2,866)
Cash used in operations		(29,762)	(33,497)
Interest received		11,608	7,894
Dividends received from listed investments		1,899	5,624
Hong Kong profits tax refunded		7	328
Overseas taxes refunded/(paid)		97	(15)
Net cash outflow from operating activities		(16,151)	(19,666)

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

Year ended 31 December 2005

<i>Notes</i>	2005 HK\$'000	2004 <i>HK\$'000</i> <i>(Restated)</i>
Net cash outflow from operating activities	(16,151)	(19,666)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(8,230)	(3,177)
Purchases of equity investments at fair value through profit or loss	(12,915)	—
Deposit paid for an increase in investment in an associate	—	(2,567)
Increase in available-for-sale equity investments/long term investments	(798)	—
Increase in an investment in an associate	(8,013)	—
Repayments of advances to associates	4,077	281
Proceeds from disposal of an associate	—	2,150
Proceeds from disposal of items of property, plant and equipment	49	3,136
Proceeds from disposal of equity investments at fair value through profit or loss/short term investments	9,304	7,115
Decrease in pledged deposits	—	47,194
Increase in non-pledged time deposits with original maturity of more than three months when acquired	(417,796)	—
Net cash inflow/(outflow) from investing activities	(434,322)	54,132
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank loans	39,408	12,269
Repayment of bank loans	(42,118)	(52,352)
Redemption of debentures	(327)	(540)
Capital element of finance lease payments	(68)	—
Interest paid	(607)	(377)
Net cash outflow from financing activities	(3,712)	(41,000)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(454,185)	(6,534)
Cash and cash equivalents at beginning of year	581,007	587,522
Effect of foreign exchange rate changes, net	7	19
CASH AND CASH EQUIVALENTS AT END OF YEAR	126,829	581,007
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	24 29,246	49,266
Non-pledged time deposits with original maturity of less than three months when acquired	97,583	531,741
	126,829	581,007