

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2005

NOTES	2005 HK\$'000	2004 HK\$'000 (restated)
OPERATING ACTIVITIES		
Profit before taxation	104,607	203,401
Adjustments for:		
Interest income	(26,530)	(20,179)
Dividend income	(11,706)	(10,927)
Depreciation of property, plant and equipment	617	1,086
Write-down of inventories	92	–
Interest paid	1,571	530
Amortisation of prepaid lease payments	59	59
Gain on disposal of a subsidiary	(3,544)	–
Loss on disposal of property, plant and equipment	–	41
Net realised and unrealised gain on investments	(1,464)	(60,519)
Changes in fair value of investments held for trading	(61,506)	–
Discount on early redemption of loan note	1,000	1,500
Fair value changes on investment properties	(11,360)	(5,540)
Fair value changes on buildings	(773)	(1,704)
Operating cash flow before movements in working capital	(8,937)	107,748
Decrease (increase) in inventories	8,039	(4,487)
Increase in trading investments	–	(192,153)
Increase in investments held for trading	(122,997)	–
Decrease in debtors, deposits and prepayments	16,404	12,530
Decrease (increase) in loan receivables	1,078	(77,191)
(Decrease) increase in creditors and accrued charges	(42,876)	23,993
Decrease in customers' deposits and receipts in advance	(800)	(3,716)
Cash used in operating activities	(150,089)	(133,276)
Interest paid	(1,571)	(530)
Tax paid	(100)	(171)
NET CASH USED IN OPERATING ACTIVITIES	(151,760)	(133,977)

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For the year ended 31 December 2005

	NOTES	2005 HK\$'000	2004 HK\$'000 (restated)
INVESTING ACTIVITIES			
Net proceeds from redemption of loan notes/other investments		59,000	98,500
Acquisition of a subsidiary	39	(30,971)	–
Increase in amount due from a minority shareholder		(4,805)	–
Interest received		16,581	20,179
Dividend received		11,706	10,927
Proceeds from disposal of an investment property		100	–
Proceeds from disposal of property, plant and equipment		–	9
Decrease in pledged bank deposits		4,656	11,806
Purchase of available-for-sale investments		(7,760)	–
Purchase of other investments		–	(7,779)
Purchase of property, plant and equipment		(88)	(467)
Net cash inflow from disposal of a subsidiary	40	3,544	–
NET CASH FROM INVESTING ACTIVITIES		51,963	133,175
FINANCING ACTIVITIES			
New loan from a related company		–	271,775
Capital contribution from a minority shareholder		4,805	–
Repayment of loan from a related company		–	(271,775)
Dividend paid		(15,060)	(17,876)
Repurchase of shares		(5,568)	(83,655)
New borrowings raised		151,048	–
Repayment of borrowings		(50,062)	–
NET CASH FROM (USED IN) FINANCING ACTIVITIES		85,163	(101,531)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(14,634)	(102,333)
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATE		(812)	(2)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		32,265	134,600
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash		16,819	32,265