



Consolidated Cash Flow Statement

For the Year Ended 31 December 2005

	2005 HK\$'000	2004 HK\$'000 (restated)
OPERATING ACTIVITIES		
(Loss) profit before taxation	(318,255)	64,397
Adjustments for:		
Impairment loss on goodwill arising from acquisition of a subsidiary	191,457	–
Share-based payment expenses	25,456	14,863
Allowance for production work in progress	24,712	–
Depreciation of property, plant and equipment	2,840	164
Amortisation of intangible asset	545	–
Finance costs	7,007	2,115
Decrease in fair value of investments held for trading	3,099	–
Allowance for bad and doubtful debts	521	–
Allowance for inventories	2,645	–
Impairment loss of property, plant and equipment	2,350	–
(Gain) loss on disposal of property, plant and equipment	(36)	1
Loss on disposal of partial interest in a subsidiary	12,345	–
Gain on disposal of investments held for trading	(919)	–
(Increase) decrease in fair value of investment properties	(14,767)	2,800
Amortisation of prepaid lease payments	134	32
Interest income	(976)	(320)
Dividend income from an associate held for sale	(1,800)	–
Dividend income from equity investments	(162)	(50)
Share of result of a jointly controlled entity	(428)	70,197
Share of result of an associate	248	5,853
Impairment loss on goodwill of interest in a jointly controlled entity	–	22,471
Loss on disposal of investment properties	–	1,427
Amortisation of goodwill arising on acquisition of a jointly controlled entity	–	937
Gain on distribution of an associate	–	(189,210)
Gain on deemed disposal of an associate	–	(115)
Unrealised holding gain on investments in securities	–	(75)



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Operating cash flows before movements in working capital	(63,984)	(4,513)
Increase in inventories	(5,234)	–
Decrease (Increase) in production work in progress	1,787	(2,482)
Increase in finance lease receivables	(67,708)	–
Increase in trade receivables	(86)	–
Decrease (increase) in prepayments, deposits and other receivables	23,702	(17,345)
Increase in trade payables	993	–
(Decrease) increase in other payables and accruals	(49,349)	2,252
Increase in income received in advance	2,504	–
Decrease in rental and management fee deposits received	(600)	(1,830)
Increase in security deposits received	1,948	–
Cash used in operations	(156,027)	(23,918)
Hong Kong Profits Tax paid	(143)	(206)
Tax refunded	69	7
Interest paid	(1,746)	(1,700)
Bank facility arrangement fee paid	(528)	(251)
NET CASH USED IN OPERATING ACTIVITIES	(158,375)	(26,068)



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<i>NOTE</i>	2005 HK\$'000	2004 HK\$'000 (restated)
INVESTING ACTIVITIES		
	49,045	(65,500)
	12,760	–
	9,369	–
49	8,778	–
	7,204	–
	4,818	–
	2,375	1,269
	976	320
	434	–
	410	–
	162	50
	(28,816)	–
	(14,667)	(940)
	(4,881)	–
	–	139,373
	–	(22,050)
	–	(10,843)
	–	(2,861)
	47,967	38,818
NET CASH FROM INVESTING ACTIVITIES	47,967	38,818



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FINANCING ACTIVITIES		
Advance from shareholders	26,062	–
Advance from a fellow subsidiary	24,260	–
New loans raised	21,196	–
Capital contribution from minority shareholders	3,599	1,498
Advance from a related party	3,038	–
Repayment of bank loans	(65,800)	(5,600)
Repayment of obligations under finance leases	(5,517)	–
Expense incurred for the distribution of shares in an associate	–	(929)
Proceeds from issue of shares	–	60,287
NET CASH FROM FINANCING ACTIVITIES	6,838	55,256
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(103,570)	68,006
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	119,683	51,677
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	1,478	–
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	17,591	119,683
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	19,841	119,683
Bank overdrafts	(2,250)	–
	17,591	119,683