

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2005

| | 2005 HK\$ | 2004 HK\$ (restated) |
|---|---------------------|----------------------------|
| OPERATING ACTIVITIES | | |
| Profit before taxation | 15,652,729 | 56,377,837 |
| Adjustments for: | | |
| Amortisation of prepaid lease payments | 204,179 | 180,313 |
| Finance costs | 359,669 | 1,653,146 |
| Interest income | (359,012) | (271,336) |
| Dividend income from available-for-sale investments | (79,026) | – |
| Depreciation | 3,136,740 | 3,534,113 |
| Gain on disposal of an associate | (2,872,542) | – |
| Gain on deemed disposal of an associate | (11,320,610) | (7,663,747) |
| Gain on disposal of investment properties | – | (2,376,620) |
| Gain on disposal of subsidiaries and discontinued operation | – | (27,851,326) |
| Impairment loss on investment securities reversed | – | (1,843,838) |
| Impairment loss on property, plant and equipment | – | 3,185,376 |
| Loss on disposal of available-for-sale investments | 31,278 | – |
| Gain on disposal of listed investment securities | – | (3,089,802) |
| Loss on disposal of property, plant and equipment | 16,844 | 63,849 |
| Share of results of a jointly controlled entity | 1,215,879 | 4,269,793 |
| Share of results of associates | (9,332,317) | (8,057,608) |
| Share-based payment expense | 4,249,740 | – |
| Unrealised holding gain on listed other investments | – | (4,545,221) |
| Increase in fair value of held-for-trading investments | (2,038,747) | – |
| Increase in fair value of investment properties | (3,400,000) | (4,050,000) |
| Increase in prepaid lease payments | – | (748,226) |
| Operating cash flows before movements in working capital | (4,535,196) | 8,766,703 |
| (Increase) decrease in inventories | (1,217,709) | 1,225,176 |
| Increase in held-for-trading investments | (10,490,304) | – |
| Increase in other investments | – | (1,942,403) |
| (Increase) decrease in trade and other receivables | (902,786) | 3,302,685 |
| Decrease in amount due from a minority shareholder | 642,504 | 498,438 |
| Decrease (increase) in amounts due from associates | 23,796 | (680,802) |
| Increase (decrease) in trade and other payables | 453,185 | (12,582,610) |
| Increase in amount due to a minority shareholder | 329,165 | 14,408 |
| (Decrease) increase in amounts due to directors | (2,064,177) | 187,093 |
| Decrease in amounts due to related companies | – | (3,789,396) |
| Cash used in operations | (17,761,522) | (5,000,708) |
| Overseas tax paid | (207,891) | (362,941) |
| Hong Kong Profits Tax paid | – | (42,849) |
| NET CASH USED IN OPERATING ACTIVITIES | (17,969,413) | (5,406,498) |

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For the year ended 31st December, 2005

| NOTE | 2005 HK\$ | 2004 HK\$ (restated) |
|---|-------------------------------|----------------------------|
| INVESTING ACTIVITIES | | |
| Interest received | 359,012 | 271,336 |
| Proceeds on disposal of property, plant and equipment | 60,731 | 6,315 |
| Net proceeds on disposal of investment properties | – | 30,176,620 |
| Proceeds on disposal of available-for-sale investments | 1,844,722 | – |
| Proceeds on disposal of investment securities | – | 9,190,379 |
| Net cash outflow arising on disposal of subsidiaries | – | (69,960) |
| Expenditure spent on investment properties | – | (3,290,000) |
| Investment in an associate | – | (240) |
| Proceeds from disposal of interest in an associate | 4,900,000 | – |
| Acquisition of property, plant and equipment | (308,485) | (4,707,027) |
| Dividend received from an associate | 1,768,898 | 1,768,898 |
| Decrease in pledged bank deposits | 364,626 | 9,119,481 |
| | <hr/> 8,989,504 <hr/> | <hr/> 42,465,802 <hr/> |
| NET CASH FROM INVESTING ACTIVITIES | | |
| FINANCING ACTIVITIES | | |
| Dividend paid to minority shareholders | (993,008) | (1,171,599) |
| Net proceeds from issue of shares | 28,730,990 | – |
| Contribution by minority shareholder of a subsidiary | 49 | – |
| New bank and other loans raised | 20,117,961 | 28,126,671 |
| Repayment of bank and other loans | (11,376,680) | (54,969,523) |
| Repayment of obligations under a finance lease | (23,366) | – |
| Interest paid on bank and other loans | (342,809) | (1,653,146) |
| Interest paid on finance lease | (16,860) | – |
| | <hr/> 36,096,277 <hr/> | <hr/> (29,667,597) <hr/> |
| NET CASH FROM (USED IN) FINANCING ACTIVITIES | | |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | |
| CASH AND CASH EQUIVALENTS BROUGHT FORWARD | | |
| | 14,466,764 | 7,082,948 |
| EFFECT OF FOREIGN EXCHANGE RATE CHANGES | | |
| | 45,211 | (7,891) |
| CASH AND CASH EQUIVALENTS CARRIED FORWARD, represented by bank balances and cash | | |
| | <hr/> 41,628,343 <hr/> | <hr/> 14,466,764 <hr/> |