## **CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31 December 2005

| Cash flows from operating activities   Profit/(Loss) before income tax   From continuing operations   C128   C1,551  |   | Notes | 2005<br>HK\$'000 | 2004<br>HK\$'000 |
|--|---|-------|------------------|------------------|
| From continuing operations From discontinued operations  Adjustments for:  Depreciation and amortisation on property, plant and equipment Operating lease charge of prepaid lease payments for leasehold land Amortisation of intangible assets Amortisation of joodwill on interests in associates Oecrease arising from acquisition of the additional interests in Nan Hai over the consideration arising from conversion of convertible notes by the Group Write off of intangible assets Net again on disposal and dissolution of subsidiaries Value and on disposal of interingible assets Net gain on disposal of other investments Ucus on disposal of intangible assets Vite-back of impairment losses of properties Under development Unpairment losses on short term investments Vite off of property, plant and equipment Vite off of property, plant and equipment Vite off of property, plant and equipment Vite off of property properties Under development Unsamment losses of properties Under development Vite off of property, plant and equipment Vite off |   |       |                  |                  |
| Adjustments for :  Depreciation and amortisation on property, plant and equipment  Departing lease charge of prepaid lease payments for leasehold land  Amortisation of intangible assets  Amortisation of goodwill on interests in associates  Decrease arising from acquisition of the additional interests in Nan Hai over the consideration arising from conversion of convertible notes by the Group  Wite off of intangible assets  Negative good will recognised as income  Decrease arising from acquisition of the additional interests in Nan Hai over the consideration arising from conversion of convertible notes by the Group  Wite off of intangible assets  Net again on disposal and dissolution of subsidiaries  Net again on disposal of other investments  Gain on disposal of other investments  Loss on disposal of property, plant and equipment  Impairment losses of properticy  Impairment losses on short term investments  Inpairment losses on short term investments  Provision for impairment of receivables  Provision for impairment of inventories  Share of results of associates  Liquity settled share based compensation expenses  Disposal of an associate  Interest income  Interest income  Interest income  Interest expenses  Decrease in fair value of investments at fair value  through profit or lossy short term investments  Poercase in fair value of investments at fair value  through profit or lossy short term investments  Decrease in fair adule of investments at fair value  through profit or lossy short term investments  Decrease in fair adule of investments at fair value  through profit or lossy short term investments  Decrease in fair adule of investments at fair value  through profit or lossy short term investments  Increase in trade receivables, other receivables and deposits  Increase in trade payables, other payables and accruals  Increase in trade payables, oth |   |       | 277.005          | 101.052          |
| Adjustments for : Depreciation and amortisation on property, plant and equipment Operating lease charge of prepaid lease payments for leasehold land Operating lease charge of prepaid lease payments for leasehold land Amortisation of intangible assets Amortisation of goodwill on interests in associates Amortisation of goodwill on interests in associates Operating early goodwill recognised as income Operating early goodwill recognised as income Operating early goodwill recognised as income Operating from acquisition of the additional interests In Nan Hai ower the consideration anising from Conversion of convertible notes by the Group Operating of intangible assets Operating on disposal and dissolution of subsidiaries Operating on disposal of other investments Operating on disposal of other investments Operating on disposal of other investments Operating on disposal of intangible assets Operating on disposal of other investments Operating on disposal of intangible assets Operating on disposal of intang | • •   |       |                  |                  |
| Depreciation and amortisation on property, plant and equipment Operating lease charge of prepaid lease payments for leasehold land 525 — Amortisation of intangible assets 6,080 46,947 Amortisation of goodwill on interests in associates — 466 Negative goodwill recognised as income — (18,158) — 466 Negative goodwill recognised as income — (18,158) — 466 Negative goodwill recognised as income — (18,158) — 466 Negative goodwill recognised as income — (18,158) — 466 Negative goodwill recognised as income — (18,158) — | FIOTH discontinued operations                       |       | (126)            | (1,551)          |
| plant and equipment Operating lease charge of prepaid lease payments for leasehold land Amortisation of intangible assets Amortisation of goodwill on interests in associates Negative goodwill recognised as income Decrease arising from acquisition of the additional interests in Nan Hai over the consideration arising from conversion of convertible notes by the Group Write off of intangible assets Net gain on disposal and dissolution of subsidiaries Vergain on disposal and dissolution of subsidiaries Vergain on disposal of intangible assets Vergain on disposal of intangible assets Vergain on disposal of intangible assets Vergain on disposal of property, plant and equipment Very the Cabck of impairment losses of properties Under development Vergainment losses of properties Vergainment of receivables Provision for impairment of inventories Vergait of property, plant and equipment Vergait of pr | Adjustments for :                                   |       |                  |                  |
| Operating lease charge of prepaid lease payments for leasehold land 525 — Amortisation of intangible assets 6,080 46,947 Amortisation of goodwill on interests in associates — 466 Negative goodwill recognised as income — (18,158) Decrease a raising from acquisition of the additional interests in Nan Hai over the consideration arising from conversion of convertible notes by the Group (185,501) — 148 Net gain on disposal and dissolution of subsidiaries 45(a) (24,850) (2,304) Gain on disposal of other investments — (77) Gain on disposal of intangible assets (2,1000) — 10,000 — |   |       |                  |                  |
| leasehold land Amortisation of intangible assets Amortisation of goodwill on interests in associates Amortisation of goodwill on interests in associates Amortisation of goodwill on interests in associates Amortisation of goodwill recognised as income Decrease arising from acquisition of the additional interests in Nan Hai over the consideration arising from conversion of convertible notes by the Group Write off of intangible assets Alet gain on disposal and dissolution of subsidiaries Alet gain on disposal of other investments Alet gain on disposal of other investments Alet gain on disposal of property, plant and equipment Alet gain on disposal of property, plant and equipment Alet gain on disposal of property, plant and equipment Alet gain on disposal of property Alet gain on disposal of property, plant and equipment Alet gain on disposal of property Alet gain on disposal of property Alet gain on disposal of property, plant and equipment Alet gain on disposal of property Alet gain on disposal of property Alet gain on disposal of property, plant and equipment Alet gain on disposal of property Alet gain on disposal of gain alet gain and alet gain and alet gain and alet gain  |   |       | 15,186           | 18,295           |
| Amortisation of intangible assets Amortisation of goodwill on interests in associates Amortisation of goodwill recognised as income Decrease arising from acquisition of the additional interests in Nan Hai over the consideration arising from conversion of convertible notes by the Group Write off of intangible assets Net gain on disposal and dissolution of subsidiaries Assets Ass |   |       | 505              |                  |
| Amortisation of goodwill on interests in associates  Negative goodwill recognised as income Decrease arising from acquisition of the additional interests in Nan Hai over the consideration arising from conversion of convertible notes by the Group Write off of intangible assets Net gain on disposal and dissolution of subsidiaries Asia on disposal of other investments Gain on disposal of intangible assets Not gain on disposal of property, plant and equipment Write-back of impairment losses of properties Under development Under deve |   |       |                  | -<br>16 9/17     |
| Negative goodwill recognised as income Decrease arising from acquisition of the additional interests in Nan Hai over the consideration arising from conversion of convertible notes by the Group Write off of intangible assets Net gain on disposal and dissolution of subsidiaries Alexagin on disposal of their investments Alexagin on disposal of intangible assets Cain on disposal of intangible assets Cain on disposal of property, plant and equipment Alexagine on disposal of property, plant and equipment Alexagine on disposal of property, plant and equipment Alexagine on short term investments Alexagine on short term investments Alexagine Alexa |   |       | -                |                  |
| Decrease arising from acquisition of the additional interests in Nan Hai over the consideration arising from conversion of convertible notes by the Group  Write off of intangible assets  Net gain on disposal and dissolution of subsidiaries  Asia (24,850)  Gain on disposal of other investments  Cain on disposal of intangible assets  Loss on disposal of intangible assets  Loss on disposal of property, plant and equipment  Write-back of impairment losses of properties  under development  Impairment losses on short term investments  Provision for impairment of receivables  Provision for impairment of receivables  Provision for impairment of inventories  Provision for impairment of inventories  Provision for impairment of receivables  Provision for impairment of inventories  Provision for impairment of receivables and deposits  Provision for impairment of receivables and accruals  Provision for impairment of  |   |       | _                |                  |
| conversion of convertible notes by the Group Write off of intangible assets Net gain on disposal and dissolution of subsidiaries A5(a) Gain on disposal of other investments Gain on disposal of intangible assets Loss on disposal of intangible assets Loss on disposal of property, plant and equipment Write-back of impairment losses of properties under development Group in term investments To provision for impairment of receivables Provision for impairment of receivables To provision for impairment of inventories To provision for impairmen |   |       |                  |                  |
| Write off of intangible assets Net gain on disposal and dissolution of subsidiaries Afain on disposal of other investments Cain on disposal of intangible assets Casin on disposal of property, plant and equipment Loss on disposal of property, plant and equipment Write-back of impairment losses of properties under development Under deve | <del>-</del>  |       |                  |                  |
| Net gain on disposal and dissolution of subsidiaries 45(a) (24,850) (2,304) Gain on disposal of other investments  |   |       | (185,501)        | _                |
| Gain on disposal of other investments Gain on disposal of intangible assets (2,100) — Loss on disposal of property, plant and equipment Write-back of impairment losses of properties under development — (3,992) Impairment losses on short term investments — 3,053 Provision for impairment of receivables — 1,472 — 5,708 Provision for impairment of inventories — 1,741 Write off of property, plant and equipment — 137 — 908 Share of results of associates — (756) — (1,745) Equity settled share based compensation expenses — 5,967 — Disposal of an associate — 1,868 — Interest income — (2,487) — (5,326) Interest expenses — 8,460 — 13,269  Operating profit before working capital changes — 101,956 — 171,539  Decrease in fair value of investments at fair value through profit or loss/ short term investments — 44 — 9 Decrease in amounts due to associates — (1,026) — (2,253) Decrease/(Increase) in inventories — 727 — (2,855) Increase in trade receivables, other receivables and deposits — (656,890) — (17,836) Increase in trade receivables, other receivables and deposits — (656,890) — (17,836) Increase in trade payables, other payables and accruals — 130,010 — 54,469 Increase in amounts due to shareholders — (4) — (3,105) Increase in amounts due to ultimate holding company — 495,782 — —  Net cash generated from operations — 119,059 — 192,460 Income taxes paid — (19,409) — (11,427)   |   | 45(2) | (24.950)         |                  |
| Gain on disposal of intangible assets Loss on disposal of property, plant and equipment Under development Under Un |   | 43(a) | (24,630)         |                  |
| Loss on disposal of property, plant and equipment Write-back of impairment losses of properties under development - (3,992) Impairment losses on short term investments - 3,053 Provision for impairment of receivables Provision for impairment of inventories 1,472 Formair development 137 Provision for impairment of inventories 1,741 Write off of property, plant and equipment 137 Share of results of associates (756) Cl,745) Equity settled share based compensation expenses 5,967 - Disposal of an associate 1,868 Interest income (2,487) Interest expenses  Operating profit before working capital changes  Decrease in fair value of investments at fair value through profit or loss/ short term investments 44 9 Decrease in amounts due to associates (1,026) Decrease in trade receivables, other receivables and deposits Increase in trade payables, other payables and accruals Increase in trade payables, other payables and accruals Increase in amounts due to a director Decrease in amounts due to a director Decrease in amounts due to shareholders (4) Increase in amounts due to ultimate holding company  Net cash generated from operations Increase paid Increase paid Increase in 19,059 Increase in 19,059 Increase in 19,059 Increase in 29,460 Income taxes paid  |   |       | (2,100)          | -                |
| under development Impairment losses on short term investments Provision for impairment of receivables Provision for impairment of inventories Provision for inventories Prov |   |       |                  | 12,305           |
| Impairment losses on short term investments Provision for impairment of receivables Provision for impairment of inventories Provision for inventories Provision for inventories Provision for inventories Prov |   |       |                  |                  |
| Provision for impairment of receivables Provision for impairment of inventories Provis |   |       | -                |                  |
| Provision for impairment of inventories  Write off of property, plant and equipment Share of results of associates (756) Equity settled share based compensation expenses Equity settled share based compensation expenses Disposal of an associate Interest income (2,487) Interest expenses Interest expenses  Operating profit before working capital changes  Decrease in fair value of investments at fair value through profit or loss/ short term investments  Decrease in amounts due to associates (1,026) Increase in trade receivables, other receivables and deposits Increase in trade reveivables, other payables and accruals Increase/(Decrease) in amount due to a director Decrease in amounts due to shareholders (4) Increase in amounts due to ultimate holding company  Net cash generated from operations Income taxes paid  117,41 137 908 (17,45) 137 908 (17,45) 18,766 (1,745) 19,460 11,745 119,059 192,460 111,427  |   |       | -                |                  |
| Write off of property, plant and equipment Share of results of associates (756) (1,745) Equity settled share based compensation expenses 5,967 Disposal of an associate Interest income Interest expenses Operating profit before working capital changes  Decrease in fair value of investments at fair value through profit or loss/ short term investments  Decrease in amounts due to associates (1,026) Increase in trade receivables, other receivables and deposits Increase in trade payables, other payables and accruals Increase in amounts due to shareholders Decrease in amounts due to shareholders Increase in amounts due to ultimate holding company  Net cash generated from operations Income taxes paid  Income taxes paid  Increase in trade resolution associates (10,026) (17,036) (17,036) (17,036) (17,036) (17,036) (17,036) (17,037) (19,409) (11,427)   |   |       | 1,4/2            |                  |
| Share of results of associates Equity settled share based compensation expenses 5,967 Disposal of an associate Interest income Interest expenses Interest ex |   |       | 137              |                  |
| Equity settled share based compensation expenses Disposal of an associate Interest income Interest income Interest expenses Interest expen |   |       |                  |                  |
| Interest income (2,487) (5,326) 13,269 Interest expenses 8,460 13,269  Operating profit before working capital changes 101,956 171,539  Decrease in fair value of investments at fair value through profit or loss/ short term investments 44 9  Decrease in amounts due to associates (1,026) (2,253) Decrease/(Increase) in inventories 727 (2,855) Increase in trade receivables, other receivables and deposits (656,890) (17,836) Increase in trade payables, other payables and accruals 130,010 54,469 Increase/(Decrease) in amount due to a director 48,460 (7,508) Decrease in amounts due to shareholders (4) (3,105) Increase in amount due to ultimate holding company 495,782 —  Net cash generated from operations 119,059 192,460 Income taxes paid (19,409) (11,427)  | Equity settled share based compensation expenses    |       |                  | _                |
| Interest expenses  Operating profit before working capital changes  101,956  171,539  Decrease in fair value of investments at fair value through profit or loss/ short term investments  Decrease in amounts due to associates  (1,026)  Decrease/(Increase) in inventories  T27  (2,855)  Increase in trade receivables, other receivables and deposits  Increase in trade payables, other payables and accruals  Increase/(Decrease) in amount due to a director  Decrease in amounts due to shareholders  Increase in amount due to ultimate holding company  Net cash generated from operations  Income taxes paid  101,956  171,539  44  9  (2,253)  (17,836)  (656,890)  (17,836)  (17,836)  (17,508)  (17,508)  130,010  54,469  (17,508)  190,762  -  Net cash generated from operations  119,059  192,460  (11,427)  | ·   |       |                  | _                |
| Operating profit before working capital changes  101,956  171,539  Decrease in fair value of investments at fair value through profit or loss/ short term investments  Decrease in amounts due to associates  (1,026) (2,253) Decrease/(Increase) in inventories  T27 (2,855) Increase in trade receivables, other receivables and deposits Increase in trade payables, other payables and accruals Increase/(Decrease) in amount due to a director  Decrease in amounts due to shareholders  (4) (3,105) Increase in amount due to ultimate holding company  Net cash generated from operations Income taxes paid  101,956  171,539  44  9  (1,026) (2,253) (2,253) (656,890) (17,836) (17,836) (17,836) (17,836) (17,508) (17,5 |   |       |                  |                  |
| Decrease in fair value of investments at fair value through profit or loss/ short term investments  Decrease in amounts due to associates  Decrease/(Increase) in inventories  Decrease in trade receivables, other receivables and deposits  Increase in trade payables, other payables and accruals  Increase in trade payables, other payables and accruals  Increase/(Decrease) in amount due to a director  Decrease in amounts due to shareholders  Increase in amount due to ultimate holding company  Net cash generated from operations  Income taxes paid  Decrease in fair value of investments  (1,026)  (2,253)  (2,253)  (17,836)  (17,836)  (17,836)  (17,508)  ( | Interest expenses                                   |       | 8,460            | 13,269           |
| through profit or loss/ short term investments  Decrease in amounts due to associates  C(1,026)  Decrease/(Increase) in inventories  Decrease/(Increase) in inventories  Increase in trade receivables, other receivables and deposits  Increase in trade payables, other payables and accruals  Increase/(Decrease) in amount due to a director  Decrease in amounts due to shareholders  Increase in amount due to ultimate holding company  Net cash generated from operations  Income taxes paid  144  9  (2,253)  (17,026)  (17,836)  (17,036)  (17,508)  (17,508)  (17,508)  (17,508)  (18,460)  (19,409)  (19,409)  | Operating profit before working capital changes     |       | 101,956          | 171,539          |
| through profit or loss/ short term investments  Decrease in amounts due to associates  C(1,026)  Decrease/(Increase) in inventories  Decrease/(Increase) in inventories  Increase in trade receivables, other receivables and deposits  Increase in trade payables, other payables and accruals  Increase/(Decrease) in amount due to a director  Decrease in amounts due to shareholders  Increase in amount due to ultimate holding company  Net cash generated from operations  Income taxes paid  144  9  (2,253)  (17,026)  (17,836)  (17,036)  (17,508)  (17,508)  (17,508)  (17,508)  (18,460)  (19,409)  (19,409)  | Decrease in fair value of investments at fair value |       |                  |                  |
| Decrease/(Increase) in inventories 727 (2,855) Increase in trade receivables, other receivables and deposits (656,890) (17,836) Increase in trade payables, other payables and accruals 130,010 54,469 Increase/(Decrease) in amount due to a director 48,460 (7,508) Decrease in amounts due to shareholders (4) (3,105) Increase in amount due to ultimate holding company 495,782 —  Net cash generated from operations 119,059 (19,409) (11,427)   |   |       | 44               | 9                |
| Increase in trade receivables, other receivables and deposits Increase in trade payables, other payables and accruals Increase in trade payables, other payables and accruals Increase/(Decrease) in amount due to a director Decrease in amounts due to shareholders Increase in amount due to ultimate holding company  Net cash generated from operations Income taxes paid  (17,836) (17,836) (7,508) (7,508) (13,105) (17,836) (17,836) (17,836) (17,836) (17,836) (17,836) (17,836) (17,836) (17,836) (17,836) (17,836) (17,836) (17,836) (17,836) (17,836) (17,836) (17,836) (17,836) (18,469) (18,469) (19,409) (19,409)   |   |       | (1,026)          | (2,253)          |
| Increase in trade payables, other payables and accruals Increase/(Decrease) in amount due to a director Decrease in amounts due to shareholders Increase in amount due to ultimate holding company  Net cash generated from operations Income taxes paid  130,010 54,469 (7,508) (3,105) 195,782 - 192,460 (19,409)  |   |       |                  |                  |
| Increase/(Decrease) in amount due to a director  Decrease in amounts due to shareholders Increase in amount due to ultimate holding company  Net cash generated from operations Income taxes paid  48,460 (7,508) (3,105) 192,460 (19,409)   |   |       |                  | ` ' '            |
| Decrease in amounts due to shareholders Increase in amount due to ultimate holding company  Net cash generated from operations Income taxes paid  (4) (3,105) 495,782  -  119,059 (19,409) (11,427)  |   |       |                  |                  |
| Increase in amount due to ultimate holding company  A95,782  Net cash generated from operations Income taxes paid  119,059 (19,409) (11,427)   |   |       |                  |                  |
| Income taxes paid (19,409) (11,427)  |   |       |                  | -                |
| Income taxes paid (19,409) (11,427)  | Net cash generated from operations                  |       | 119.059          | 192.460          |
| Not such represented from an autilities  |   |       |                  |                  |
| ivel cash generated from operating activities 99.650 181.033   | Net cash generated from operating activities        |       | 99,650           | 181,033          |

## **CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31 December 2005

| Notes  | 2005<br>HK\$'000   | 2004<br>HK\$'000  |
|--|--|---|
| Cash flows from investing activities Payments to acquire property, plant and equipment Proceeds from disposal of property, plant and equipment Proceeds from disposal of intangible assets Repayments to a prospective investee company Net cash inflow in respect of acquisition of subsidiaries Net cash outflow from deconsolidation of a subsidiary Net cash outflow in respect of disposal of subsidiaries Net cash outflow from distribution of Nan Hai 45(a) Net cash outflow from distribution of Nan Hai 45(b) Payment to acquire intangible assets Proceeds from disposal of unlisted investments Proceeds from disposal of land held for development Advances to prospective investee companies Payment for land premium Payment to acquire properties held for and under development Interest received | (17,260)<br>1<br>21,412<br>(9,283)<br>-<br>(52)<br>(317)<br>(23,113)<br>-<br>(19,017)<br>-<br>(1,180)<br>2,487 | (62,109)<br>65,697<br>-<br>(12,531)<br>982<br>(21,600)<br>(72)<br>-<br>(2,458)<br>1,600<br>76,179<br>(18,825)<br>(20,755)<br>-<br>5,326 |
| Net cash (used in)/generated from investing activities   | (46,322)   | 11,434  |
| Cash flows from financing activities  New loans and other borrowings raised  Receipts from securities brokers and margin financiers  Repayments of loans and other borrowings  Interest paid   | 12,968<br>1,892<br>(13,936)<br>(43,462)  | 13,237<br>2,501<br>(204,432)<br>(58,993)  |
| Net cash used in financing activities  Net increase/(decrease) in cash and cash equivalents  | (42,538)<br>10,790   | (247,687)   |
| Cash and cash equivalents at 1 January Effect of foreign exchange rate changes, on cash held   | 51,973<br>2,695  | 107,193   |
| Cash and cash equivalents at 31 December   | 65,458   | 51,973  |
| Analysis of balances of cash and cash equivalents Cash at banks and in hand Bank overdrafts  | 65,458<br>-  | 52,244<br>(271)   |
|  | 65,458   | 51,973  |
| Net cash flows attributable to the operating, investing and financing activities of discontinued operations are as follows:  Operating cash flows  | (128)  | 6,312   |
| Investing cash flows Financing cash flows  | - (120)  | 1,822<br>3,341  |
| Total cash flows   | (128)  | 11,475  |