

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2005

	Notes	2005 HK\$'000	(Restated) 2004 HK\$'000
<b>Cash flows from operating activities</b>			
Profit before income tax		<b>51,856</b>	3,068
Adjustments for :			
Interest income		<b>(1,355)</b>	(3,363)
Interest expenses		<b>17,087</b>	4,539
Depreciation on property, plant and equipment		<b>6,241</b>	946
Amortisation on intangible assets other than goodwill		<b>1,127</b>	–
Annual charges of prepaid operating lease payment		<b>525</b>	–
Loss/(Gain) on disposal and write-off of property, plant and equipment		<b>254</b>	(6)
Write-off of product development costs		–	149
Write back of provision for a doubtful debt		–	65
Amortisation of goodwill		–	1,085
Negative goodwill recognised as income		–	(14,089)
Share of results of associates		<b>(1,050)</b>	(1,244)
Share-based compensation		<b>3,509</b>	–
Excess of the Group's interest in the fair value of net assets acquired over cost arising from business combination	34(a)	<b>(30,289)</b>	–
(Gain)/Loss on disposal and dissolution of subsidiaries	34(b)	<b>(14,086)</b>	177
Operating profit/(loss) before working capital changes		<b>33,819</b>	(8,673)
Decrease/(Increase) in inventories		<b>30</b>	(6)
Decrease in fair value of investments at fair value through profit or loss		<b>121</b>	–
(Increase)/Decrease in trade receivables, other receivables and deposits		<b>(514,282)</b>	99,611
Increase/(Decrease) in trade payables, other payables and accruals, and amounts due to fellow subsidiaries and ultimate holding company		<b>178,503</b>	(42,234)
Increase in amount due to a director		<b>59,578</b>	–
Cash (used in)/generated from operations		<b>(242,231)</b>	48,698
Interest received		<b>1,355</b>	3,363
Interest paid		<b>(68,860)</b>	(11,844)
Income taxes paid		<b>(14,463)</b>	(57)
<i>Net cash (used in)/generated from operating activities</i>		<b>(324,199)</b>	40,160

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	Notes	2005 HK\$'000	(Restated) 2004 HK\$'000
<b>Cash flows from investing activities</b>			
Refund of deposit for acquisition of investment		311,321	–
Repayments to prospective investee companies		(16,547)	–
Payment to acquire intangible assets		(23,113)	–
Payment to acquire property, plant and equipment		(9,860)	(183)
Payment for properties held for and under development		(386,064)	(949)
Proceeds from disposal of property, plant and equipment		1	6
Net cash outflow arising from disposal and dissolution of subsidiaries	34(b)	(627)	(28)
Acquisition of subsidiaries	34(a)	25,427	–
Repayment from/(Advance to) associates		983	(3,113)
<i>Net cash used in investing activities</i>		<b>(98,479)</b>	(4,267)
<b>Cash flows from financing activities</b>			
Repayment of bank and other borrowings		(348,567)	(55,821)
New bank loans raised		874,180	–
Increase in amounts due to security brokers and margin financiers		(2,184)	–
<i>Net cash generated from/(used in) financing activities</i>		<b>523,429</b>	(55,821)
<b>Increase/(Decrease) in cash and cash equivalents</b>		<b>100,751</b>	(19,928)
<b>Cash and cash equivalents at 1 January</b>		<b>767</b>	20,695
<b>Effect of foreign exchange rate changes, on cash held</b>		<b>(3,722)</b>	–
<b>Cash and cash equivalents at 31 December</b>		<b>97,796</b>	767
<b>Analysis of the balances of cash and cash equivalents</b>			
Cash at banks and in hand		98,112	1,039
Bank overdrafts		(316)	(272)
		<b>97,796</b>	767