

Consolidated Cash Flow Statement

For the year ended 31 December 2005

| <i>Notes</i> | 2005 HK\$'000 | 2004 HK\$'000 |
|--|--------------------------------|------------------|
| Operating activities | | |
| Profit before taxation | 340,720 | 122,361 |
| Adjustments for: | | |
| Interest income | (3,078) | (2,261) |
| Dividend income | (154) | (927) |
| Interest expense | 21,652 | 22,868 |
| Change in fair value of investments at fair value through profit or loss | (34) | – |
| Loss on disposal of investments at fair value through profit or loss | (395) | – |
| Unrealised holding loss on investment in securities | – | 1,250 |
| Loss on disposal of investment in securities | – | 5,123 |
| Loss on disposal of property, plant and equipment | 926 | 34 |
| Amortisation of goodwill on acquisition of subsidiaries | – | 149 |
| Impairment loss on goodwill | 9,128 | – |
| Impairment loss on deposits for property development | 13,333 | – |
| Release of negative goodwill to income | – | (17,050) |
| Excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost | (50,129) | – |
| Gain on disposal of subsidiaries | – | (555) |
| Depreciation | 1,649 | 1,338 |
| Share of results of associates | (23,218) | (124,333) |
| Operating profit before working capital changes | 310,400 | 7,997 |
| Increase in trade and other receivables | (30,373) | (185,604) |
| Decrease/(increase) in properties for sale | 327,065 | (592,871) |
| Decrease in deposits for property development | 38,228 | 128,147 |
| Decrease/(increase) in amount due from associates | 228,800 | (215,432) |
| Increase in amounts due from related companies | (7,185) | – |
| Increase in amount due from a minority owner | (31,853) | – |
| Increase in trade and other payables | 119,331 | 11,155 |
| (Decrease)/increase in receipts in advance | (343,092) | 992,393 |
| (Decrease)/increase in amounts due to associates | (1,763) | 2,481 |
| Decrease in amounts due to related companies | (415) | (4,641) |
| (Decrease)/increase in amount due to a director | (4,062) | 2,004 |
| Net cash from operation | 605,081 | 145,629 |
| Interest received | 3,078 | 2,261 |
| Interest paid | (19,987) | (22,868) |
| Overseas tax paid | (30,341) | (28,236) |
| Net cash from operating activities | 557,831 | 96,786 |

Consolidated Cash Flow Statement

For the year ended 31 December 2005

| | Notes | 2005 HK\$'000 | 2004 HK\$'000 |
|--|-------|------------------|------------------|
| Investing activities | | | |
| Acquisition of subsidiaries, net of cash acquired | 41 | (42,351) | (43,568) |
| Acquisition of additional interest in a subsidiary | | (1,751) | (16,981) |
| Disposal of subsidiaries, net of cash disposed of | 42 | – | (6,617) |
| Purchase of property, plant and equipment | | (1,415) | (2,314) |
| Proceeds from sale of property, plant and equipment | | 2,130 | 25 |
| Purchase of investment in securities | | – | (94,506) |
| Purchase of investments at fair value through profit or loss | | (7,641) | – |
| Proceeds from sale of investment in securities | | – | 91,417 |
| Proceeds from sales of investments at fair value through profit or loss | | 5,869 | – |
| Deposits for acquisition of investment properties | | (288,461) | – |
| Purchase of available-for-sale investment | | (96) | – |
| Purchase of asset classified as held for sale | | (120,192) | – |
| Dividends received | | 154 | 927 |
| Acquisition of additional interest in an associate | | – | (76,415) |
| Investment in an associate | | (34,615) | (2,500) |
| Refund of advance for investment | | 13,106 | 47,170 |
| Increase in advance for investment | | – | (12,858) |
| Net cash used in investing activities | | (475,263) | (116,220) |
| Financing activities | | | |
| Decrease in shareholders' loan | | – | (26,000) |
| Increase in bank loans | | 281,838 | 349,056 |
| Repayment of bank loans | | (341,346) | (169,811) |
| Net proceeds from issue of shares | | – | 39,714 |
| Payment on repurchase of shares | | – | (820) |
| Contribution by a minority owner | | 6,154 | – |
| Proceeds from issue of convertible notes | | 80,000 | – |
| Dividends paid to minority interests | | (28,571) | – |
| Net cash (used in)/from financing activities | | (1,925) | 192,139 |
| Net increase in cash and cash equivalents | | 80,643 | 172,705 |
| Cash and cash equivalents at beginning of year | | 271,476 | 98,771 |
| Effect of foreign exchange rate changes | | 9,479 | – |
| Cash and cash equivalents at end of year | 37 | 361,598 | 271,476 |