

Consolidated Cash Flow Statement

for the year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
Cash flows from operating activities			
Profit before income tax		656,463	39,045
Share of profits less losses of associates		(6)	(17)
Share of profits less losses of a jointly-controlled entity		6	—
Bank interest income		(588)	(73)
Interest expenses		50,894	36,686
Depreciation of property, plant and equipment		1,795	1,662
Amortisation of operating lease prepayment		14	14
Amortisation of properties held for development		715	574
Amortisation of goodwill		—	73
Impairment of goodwill		1,314	3,714
Amortisation of intangible assets		489	199
Equity-settled share based payment expenses		1,291	519
Provision for obsolete inventories		2,096	—
Provision of impairment for receivables		1,045	273
Write back of overprovision for impairment of trade receivables		—	(222)
Bad debts written off		3,039	2,055
Loss on disposal of investment properties		190	—
Loss on disposal of property, plant and equipment		67	170
Recovery of long outstanding debts written off	6(c)	(11,715)	—
Deposit for purchase of properties recovered after settled litigation	6(b)	(44,847)	—
Gain on fair value adjustment on investment properties		(564,921)	—
Gain on disposal of subsidiaries		(8,407)	(1,053)
Loss on disposal of an associate		63	—
Write back of provision for unlisted warrants	6(a)	—	(5,318)
Operating profit before working capital changes		88,997	78,301
Decrease in restricted bank balances		—	507
Increase in trade and other receivables, and instalments receivable		(9,756)	(5,054)
Increase in inventories		(4,904)	(13,944)
Increase in trade and other payables		11,174	6,837
Proceeds from deposit for purchase of properties recovered after settled litigation		44,847	—
Proceeds from recovery of long outstanding debts written off		15,000	—
Net cash generated from operations		145,358	66,647
Interest paid		(50,944)	(28,224)
Income tax paid		(2,610)	(8)
<i>Net cash generated from operating activities</i>		91,804	38,415

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for the year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
Cash flows from investing activities			
Additions to property, plant and equipment		(1,081)	(1,580)
Decrease in amounts due from associates		23	44
Increase in amount due from a jointly-controlled entity		(4,807)	—
Proceeds from disposal of investment properties		1,008	—
Payment to acquire investment properties		(78,911)	(18,050)
Payment to acquire properties held for development		(5,183)	—
Payments to acquire subsidiaries (net of cash and cash equivalents acquired)	43(b)	—	(15,150)
Net cash inflow/(outflow) from disposal of subsidiaries	43(d)	14	(11)
Bank interest received		588	73
<i>Net cash used in investing activities</i>		(88,349)	(34,674)
Cash flows from financing activities			
Repayments of bank loans		(303,810)	(17,195)
Repayments of other loans		(96,575)	(36,222)
Bank loans raised		301,382	24,742
Other loans raised		68,261	26,150
Repayments of obligations under finance leases		(25)	(92)
Proceeds from exercise of warrants		511	543
Proceeds from exercise of share options		736	600
Proceeds from new issue and placing of shares, net of expenses		54,738	11,650
Payments for arrangement fees of loan capitalisation		—	(157)
Payments for arrangement fees of bonus issue of shares		—	(10)
Payments for shares repurchased		—	(638)
Final dividend paid		(4,122)	(2,025)
<i>Net cash generated from financing activities</i>		21,096	7,346
Increase in cash and cash equivalents		24,551	11,087
Cash and cash equivalents at 1 January		46,724	36,039
Effect of foreign exchange rate changes, net		921	(402)
Cash and cash equivalents at 31 December		72,196	46,724