

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2005

| | Note | 2005 HK\$'000 | 2004 HK\$000 (as restated) |
|---|------|------------------|----------------------------------|
| Operating activities | | | |
| Loss before taxation | | (292,795) | (11,131) |
| Adjustments for: | | | |
| Revaluation surplus on buildings for own use | | (851) | (632) |
| Unrealised loss on trading securities | | – | 419 |
| Depreciation of fixed assets | | 38,838 | 1,349 |
| Amortisation of land lease premium | | 11,696 | 43 |
| Loss of disposal of property, plant and equipment | | 271 | – |
| Loss on disposal of subsidiaries | | 2,498 | – |
| Loss on disposal of investment at fair value | | 92 | 1,048 |
| Gain on disposal of available-for-sale investment | | (2,000) | – |
| Discount on acquisition of subsidiaries | | (158,687) | – |
| Equity-settled share-based payment expenses | 7 | 496,800 | – |
| Convertible debts issuing expenses | | – | 500 |
| Operating profit/(loss) before changes in working capital | | 95,862 | (8,404) |
| (Increase)/decrease in inventories | | (4,459) | 2,394 |
| Decrease/(increase) in trade and other receivables | | 11,449 | (48,123) |
| Increase in trade and other payables | | 37,155 | 7,621 |
| Cash from/(used in) operations | | 140,007 | (46,512) |
| Hong Kong profits tax paid | | (322) | (880) |
| Net cash from/(used in) operating activities | | 139,685 | (47,392) |

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2005

| | Note | 2005 HK\$'000 | 2004 HK\$000 (as restated) |
|--|------|--------------------|----------------------------------|
| Investing activities | | | |
| Payment for the purchase of property, plant and equipment and prepaid land lease premium | | (472,284) | (2,386) |
| Proceeds from disposal of property, plant and equipment | | 53 | – |
| Payment for the purchase of: | | | |
| – trading securities | | (3,829) | (13,231) |
| – available-for-sale investment | | – | (50,000) |
| Proceeds from sale of trading securities | | 674 | 15,479 |
| Proceeds from sale of available-for-sale investment | | 52,000 | – |
| Acquisition of subsidiaries | 32 | (744,693) | – |
| Disposal of subsidiaries | 33 | 677 | – |
| Net cash used in investing activities | | (1,167,402) | (50,138) |
| Financing activities | | | |
| Issue of shares | | – | 741,977 |
| Share issuing expenses | | – | (21,008) |
| Issue of convertible debts | | – | 20,000 |
| Convertible debt issuing expenses | | – | (500) |
| Other loans raised | | – | 2,000 |
| Bank loans raised | | 500,000 | – |
| Repayment of bank loan | | (1,636) | (3,176) |
| Repayment of other loans | | (400) | (1,600) |
| Payment of capital element of finance leases | | (165) | (69) |
| Net cash from financing activities | | 497,799 | 737,624 |
| Net (decrease)/increase in cash and cash equivalents | | (529,918) | 640,094 |
| Cash and cash equivalents at 1 January | | 643,157 | 3,063 |
| Cash and cash equivalents at 31 December | 34 | 113,239 | 643,157 |