

## Consolidated Cash Flow Statement

Year ended 31 December 2005

	2005 HK\$'000	2004 HK\$'000 (restated)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss)/profit from operating activities	(11,527)	8,273
Adjustments for		
Depreciation of property, plant and equipment	378	475
Impairment of goodwill	1,695	–
Loss on disposal of property, plant and equipment	18	–
Interest income	(3,405)	(1,101)
Bad debts recovered	(41)	(748)
Share-based compensation	4,459	–
Dividend income from marketable securities	(520)	(27)
Unrealised loss/(gain) on changes in fair values of marketable securities	539	(104)
Gain on disposal of property, plant and equipment	–	(38)
Gain on disposal of marketable securities	(3,218)	(1,944)
Amortisation of goodwill	–	566
Amortisation of land lease premium	43	44
Changes in fair value of investment properties	(1,000)	(3,600)
Loss/(profit) on disposal of jointly controlled entities	1,776	(7,333)
<b>Operating loss before working capital changes</b>	<b>(10,803)</b>	<b>(5,537)</b>
Decrease in inventories	–	92
Decrease in trade and bills receivables	34,622	24,965
Increase in other receivables, deposits and prepayments	(12,114)	(6,872)
Decrease in trade and bills payables	(35,351)	(12,084)
Increase/(decrease) in other payables and accruals	638	(595)
<b>Cash used in operations</b>	<b>(23,008)</b>	<b>(31)</b>
Interest received	3,405	1,101
Interest paid	(92)	(218)
Dividend received from investments in marketable securities	520	27
<b>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>	<b>(19,175)</b>	<b>879</b>

## Consolidated Cash Flow Statement

Year ended 31 December 2005

	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i> (restated)
<b>INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	(572)	–
Purchases of golf club membership	–	(551)
Purchases of marketable securities	(42,556)	(12,091)
Proceeds on disposal of marketable securities	32,212	13,481
Proceeds on disposal of property, plant and equipment	150	542
<b>NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES</b>	<b>(10,766)</b>	1,381
<b>FINANCING ACTIVITIES</b>		
Increase in amounts due from/(to) jointly controlled entities	(5,887)	(1)
Increase in pledged time deposits	(1,132)	(501)
Issue of new shares	–	33,863
Issuing expenses	–	(1,784)
<b>NET CASH (OUTFLOW)/INFLOW FROM FINANCING ACTIVITIES</b>	<b>(7,019)</b>	31,577
<b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(36,960)</b>	33,837
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>89,024</b>	55,187
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>52,064</b>	89,024
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Time deposits	48,741	83,675
Cash at banks and on hand	3,323	5,349
	<b>52,064</b>	89,024

The notes on pages 32 to 75 form an integral part of these financial statements.