

## Consolidated Cash Flow Statement

For the Year Ended 31st December, 2005

|  | 2005<br>HK\$'000 | 2004<br>HK\$'000 |
|--|------------------|------------------|
| <b>OPERATING ACTIVITIES</b>                              |                  |                  |
| Profit before taxation                                   | 58,953           | 216,430          |
| Adjustments for:   |                  |                  |
| Finance costs  | 17,202           | 5,346            |
| Share of losses (profits) of associates                  | 232              | (51,245)         |
| Loss (gain) on investments in securities                 | 1,814            | (364)            |
| Increase in fair value of investment properties          | (13,800)         | (137,233)        |
| Loss on disposal of property, plant and equipment        | 586              | –                |
| Depreciation of property, plant and equipment            | 13,665           | 5,347            |
| Amortisation of prepaid lease payments for land          | 6,341            | 5,603            |
| Discount on acquisition of subsidiaries                  | (13,505)         | –                |
| Interest on bank deposits                                | (554)            | (23)             |
|  | <hr/>            | <hr/>            |
| Operating cash flows before movements in working capital | 70,934           | 43,861           |
| (Increase) decrease in inventories                       | (345)            | 9                |
| Decrease in properties for sale                          | 69,461           | 68,336           |
| Decrease in investments in securities                    | –                | 1,183            |
| Decrease (increase) in trade and other receivables       | 88,141           | (98,853)         |
| Increase in deposits and prepayments                     | (1,296)          | (342)            |
| Increase in trade balances due from shareholders         | (445)            | (396)            |
| Increase in trade balance due from an associate          | (31)             | (76)             |
| Increase (decrease) in trade and other payables          | 6,033            | (1,615)          |
| Increase in rental and other deposits received           | 20               | 405              |
|  | <hr/>            | <hr/>            |
| Cash generated from operations                           | 232,472          | 12,512           |
| Hong Kong Profits Tax paid                               | (11,628)         | (1,015)          |
| Interest received  | 554              | 23               |
|  | <hr/>            | <hr/>            |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>                | <b>221,398</b>   | <b>11,520</b>    |
| <b>INVESTING ACTIVITIES</b>                              |                  |                  |
| Additions to property, plant and equipment               | (22,714)         | (147,501)        |
| Additions to investment properties                       | –                | (35,080)         |
| Additions to prepaid lease payments for land             | –                | (213,872)        |
| Acquisition of subsidiaries ( <i>note 32</i> )           | (221,654)        | –                |
| Deposit for acquisition of assets                        | –                | (20,000)         |
| Proceeds from disposal of investment properties          | 180,000          | 34,313           |
| Proceeds from disposal of property, plant and equipment  | –                | 26               |
| Proceeds from disposal of other securities               | –                | 918              |
| Expenditure on properties under development              | (9,435)          | (17,273)         |
| Dividend received from an associate                      | –                | 56,800           |
| Repayment from an associate                              | –                | 87,055           |
| Decrease (increase) in pledged bank deposits             | 22               | (19)             |
|  | <hr/>            | <hr/>            |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>             | <b>(73,781)</b>  | <b>(254,633)</b> |

## Consolidated Cash Flow Statement (Continued)

For the Year Ended 31st December, 2005

|   | 2005<br><i>HK\$'000</i> | 2004<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| <b>FINANCING ACTIVITIES</b>                                 |                         |                         |
| New bank loans raised                                       | <b>114,640</b>          | 304,000                 |
| Repayment of bank loans                                     | <b>(276,920)</b>        | (178,599)               |
| Repayment of advances from a shareholder                    | <b>(72,053)</b>         | –                       |
| Advances from a shareholder                                 | –                       | 247,790                 |
| Dividend paid   | <b>(8,197)</b>          | –                       |
| Interest paid   | <b>(21,386)</b>         | (8,011)                 |
|   | <hr/>                   | <hr/>                   |
| <b>NET CASH (USED IN) FROM FINANCING ACTIVITIES</b>         | <b>(263,916)</b>        | 365,180                 |
|   | <hr/>                   | <hr/>                   |
| <b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b> | <b>(116,299)</b>        | 122,067                 |
|   | <hr/>                   | <hr/>                   |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>   | <b>132,986</b>          | 10,919                  |
|   | <hr/>                   | <hr/>                   |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>         | <b>16,687</b>           | 132,986                 |
|   | <hr/> <hr/>             | <hr/> <hr/>             |
| <b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>                |                         |                         |
| Bank balances and cash                                      | <b>16,810</b>           | 133,131                 |
| Less: Pledged bank deposits                                 | <b>(123)</b>            | (145)                   |
|   | <hr/>                   | <hr/>                   |
|   | <b>16,687</b>           | 132,986                 |
|   | <hr/> <hr/>             | <hr/> <hr/>             |