

# Consolidated Cash Flow Statement

For the year ended 31 December 2005

	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i> (Restated)
<b>OPERATING ACTIVITIES</b>		
Profit before tax	<b>562,470</b>	66,698
Adjustments for:		
Share of profit of jointly controlled entities	<b>(2,234)</b>	–
Net loss on other investments	–	2,113
Amortisation of trading rights	<b>507</b>	507
Amortisation of prepaid lease payments	<b>1,936</b>	–
Depreciation of property, plant and equipment	<b>35,322</b>	17,683
Written back of allowance for doubtful debts	<b>(1,790)</b>	–
Allowance for doubtful debts	<b>2,843</b>	1,910
Finance costs	<b>31,747</b>	4,199
Dividend income	<b>(2,756)</b>	(938)
Impairment loss on available-for-sale investments	<b>120</b>	–
Gain of disposal of investment properties	–	(57,176)
Reversal of impairment of investment securities	–	(3,117)
Discount on acquisition of subsidiaries	–	(1,204)
Gain on deemed disposal of partial interests in subsidiaries	<b>(514,407)</b>	–
Share-based payment expense	<b>5,350</b>	5,435
Increase in fair value of investment properties	<b>(8,000)</b>	–
Loss (gain) on disposal of property, plant and equipment	<b>500</b>	(1,400)
Operating cash flows before movements in working capital	<b>111,608</b>	34,710
(Increase) decrease in inventories	<b>(30,888)</b>	369
Increase in trade receivables	<b>(65,335)</b>	(96,702)
Increase in prepayments, deposits and other receivables	<b>(2,768)</b>	(24,204)
Increase in held-for-trading investments	<b>(4,361)</b>	–
Decrease (increase) in amounts due from related companies	<b>1,140</b>	(690)
Increase in amounts due to related companies	<b>820</b>	–
Increase (decrease) in trade payables	<b>43,474</b>	(50,196)
Increase (decrease) in other payables	<b>13,942</b>	(16,783)
Increase in amount due to a minority shareholder	<b>9,104</b>	–
Increase in amount due to a jointly controlled entity	<b>9</b>	–
Decrease in rental deposits	–	(407)
Cash from (used in) operations	<b>76,745</b>	(153,903)
Income tax (paid) refunded	<b>(1,208)</b>	849
<b>NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES</b>	<b>75,537</b>	(153,054)

# Consolidated Cash Flow Statement

For the year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
<b>INVESTING ACTIVITIES</b>			
Proceeds from disposal of partial interests in subsidiaries	12	1,271,368	–
Decrease (increase) in long term deposits		6,706	(10,561)
Proceeds from disposal of available-for-sale investments		3,117	–
Dividend received		2,756	938
Proceeds from disposal of property, plant and equipment		2,627	2,168
Decrease in certificate of deposits		1,100	–
Acquisition of hotels and entertainment complex under development		(217,005)	–
Acquisition of additional interest in a subsidiary/ subsidiaries	51	(200,000)	10,265
Purchase of property, plant and equipment		(167,309)	(49,770)
Increase in deposits for land use right		(48,590)	–
Increase in prepaid lease payments		(42,976)	–
Increase in amount due from a jointly controlled entity		(8,103)	(25,145)
(Acquisition) disposal of other intangible assets		(2,000)	405
(Increase) decrease in pledged bank deposits		(93)	127
Proceeds from disposal of investment properties		–	83,000
Purchase of investment securities		–	(4,000)
Purchase of other investments less proceeds from subsequent disposal		–	(2,112)
Direct expense incurred for acquisition of additional interests in subsidiaries		–	(250)
		<u>601,598</u>	<u>5,065</u>
<b>NET CASH FROM INVESTING ACTIVITIES</b>			
<b>FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		1,277,500	394,680
Advance from a shareholder		21,927	23,158
Proceeds from exercise of share options		20,807	16,935
Bank borrowings raised		13,000	15,000
Capital contribution from minority shareholders		7,617	–
Share issuance expenses		(38,397)	(16,576)
Dividend paid		(16,168)	(3,776)
Interest paid		(7,267)	(4,199)
Repayment of obligation under finance lease		(836)	(482)
Repayment of former shareholder's loans		–	(24,556)
		<u>1,278,183</u>	<u>400,184</u>
<b>NET CASH FROM FINANCING ACTIVITIES</b>			
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>1,955,318</b>	<b>252,195</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>394,966</b>	<b>142,771</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash</b>		<b><u>2,350,284</u></b>	<b><u>394,966</u></b>