

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2005 (IN HK DOLLARS)

	<b>2005</b>	2004
	<b>HK\$'000</b>	(Restated) HK\$'000
<b>Operating activities</b>		
Profit before income tax	<b>3,103</b>	47,707
<b>Adjustments for:</b>		
Write back of land appreciation tax	–	(17,254)
Amortization on investments in a property development joint venture	–	2,160
Impairments in value on investments in a property development joint venture	–	5,392
Depreciation	<b>1,306</b>	1,195
Amortization of prepaid premium for land lease	<b>74</b>	74
Interest income	<b>(67)</b>	(69)
Interest expenses	<b>2,979</b>	6,731
Gain on disposals of property, plant and equipment	<b>(25)</b>	–
(Write-back)/Provision for doubtful and bad mortgage loans recoverable	<b>(2,137)</b>	393
(Write-back)/Write-off of other receivables	<b>(203)</b>	203
Changes in fair value of investment properties	<b>(13,307)</b>	–
<b>Operating cash flows before movements in working capital</b>	<b>(8,277)</b>	46,532
(Increase)/Decrease in properties held for sale	<b>(2,216)</b>	19,491
Decrease in properties held for development	<b>282</b>	26,445
Decrease in investment properties	–	1,810
Decrease in mortgage loans receivables	<b>9,966</b>	4,527
Decrease in other receivables, deposits and prepayments	<b>29,404</b>	8,169
Increase in trade payables, deposits and accruals	<b>(18,219)</b>	(29,919)
Decrease in deposits received for sale of properties held for development	<b>49</b>	140
Cash generated from operations	<b>10,989</b>	77,195
Interest received	<b>67</b>	69
Interest paid	<b>(2,979)</b>	(6,731)
Overseas tax paid	<b>(561)</b>	(14,927)
<b>Net cash inflow from operating activities</b>	<b>7,516</b>	55,606

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	<b>2005</b>	2004
	<b>HK\$'000</b>	(Restated) HK\$'000
<b>Investing activities</b>		
Purchases of property, plant and equipment	<b>(897)</b>	(1,064)
Sale proceeds on disposals of property, plant and equipment	<b>56</b>	67
Sale proceeds on disposals of an associate	<b>-</b>	513
Addition of investment properties	<b>(2,460)</b>	-
Decrease in investments in a property development joint venture	<b>6,488</b>	-
Payments for deposits for acquisition of land	<b>-</b>	(4,788)
Decrease/(Increase) in pledged bank deposits	<b>396</b>	(31)
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<b>Net cash generated from/(used in) investing activities</b>	<b>3,583</b>	(5,303)
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<b>Financing activities</b>		
New loans raised	<b>26,923</b>	80,292
Repayments of loans	<b>(35,626)</b>	(100,914)
Repayments of advances from a director	<b>(50)</b>	(12,312)
Dividend paid	<b>(16,373)</b>	-
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<b>Net cash used in financing activities</b>	<b>(25,126)</b>	(32,934)
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<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(14,027)</b>	17,369
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<b>Cash and cash equivalents at the beginning of the year</b>	<b>15,131</b>	(2,238)
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<b>Effect of foreign exchange rate changes</b>	<b>271</b>	-
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<b>Cash and cash equivalents at the end of the year</b>	<b>1,375</b>	15,131
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<b>Analysis of the balance of cash and cash equivalents</b>		
Cash and bank balances	<b>1,375</b>	15,131
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The accompanying notes form an integral part of these financial statements.