

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2006

	<b>2006</b> <i>HK\$'000</i>	<b>2005</b> <i>HK\$'000</i>
Cash flows from operating activities		
Profit (loss) before taxation	40,063	(50,314)
Adjustments for:		
Interest income	(2,889)	(1,882)
Interest expense	1,210	1,407
Increase in provision for a legal claim	–	8,698
Share of results of associates	(1)	1
Share of results of a jointly controlled entity	728	–
Expenses recognised in respect of share options granted	–	4,392
Loss on disposal of property, plant and equipment	4,811	1,009
Depreciation of property, plant and equipment	3,524	3,217
Decrease in fair value of an investment property	1,782	–
Impairment loss recognised in respect of property, plant and equipment	7,840	23,781
Gain on waiver of secured other loan and interest	(14,842)	–
Operating cash flows before working capital changes	42,226	(9,691)
(Increase) decrease in inventories	(655)	4,578
Increase in properties under development	–	(6,888)
Decrease in properties held for sale	179,747	–
Decrease (increase) in trade and other receivables	17,409	(12,793)
(Increase) decrease in bills receivable	(856)	695
Increase in amount due from a minority shareholder of a subsidiary	(57)	(22)
Decrease in trade and other payables	(37,778)	(20,986)
(Decrease) increase in deposits received on sale of properties	(188,380)	170,279
Cash flows from operations	11,656	125,172
Hong Kong Profits Tax refunded (paid)	284	(298)
PRC Enterprise Income Tax paid	–	(6,398)
Net cash flows from operating activities	11,940	118,476
Cash flows from investing activities		
Acquisition of investment in a jointly controlled entity	(26,594)	–
Capital contribution to a jointly controlled entity	(71,580)	–
Increase in restricted bank balance	(4,200)	–
Repayment from (advance to) related companies	775	(262)
Proceeds from disposals of property, plant and equipment	6,097	2,551
Purchases of property, plant and equipment	(1,244)	(7,830)
Repayment of amount due from an associate	12,475	13,752
Interest received	2,889	2,502
Net cash (used in) from investing activities	(81,382)	10,713

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Cash flows from financing activities		
Dividend paid to a minority shareholder of a subsidiary	(11,956)	–
Proceeds from issue of new shares (net of expenses)	99,091	–
Repayment of loan from a related company	(15,000)	–
Repayment of bank loans	–	(94,300)
Interest paid	(140)	(5,583)
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Net cash from (used in) financing activities	71,995	(99,883)
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Net increase in cash and cash equivalents	2,553	29,306
Cash and cash equivalents at beginning of year	115,058	86,082
Effect of foreign exchange rate changes	928	(330)
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Cash and cash equivalents at end of year, representing bank balances and cash	118,539	115,058
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