

# Consolidated Cash Flow Statement

For the year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
<b>Cash flows from operating activities</b>			
(Loss)/profit before income tax		(59,157)	26,907
Adjustments for:			
Amortisation of prepaid lease payments	7	90	52
Depreciation of property, plant and equipment	7	4,063	3,571
Equity settled share based payment expenses		—	313
Loss/(gain) on change in fair value of investment properties		492	(31,556)
Additional land appreciation tax attributable to sales of land use rights and properties in prior years	8	57,332	—
Interest income	5	(243)	(1,287)
Interest expense	9	3,749	5,393
Operating profit before working capital changes		6,326	3,393
Increase in properties under development		(79,905)	(70,239)
Decrease in properties held for sale		16,569	63,592
Decrease in account receivables		5,521	29,927
Decrease/(increase) in prepayments, deposits and other receivables		34,587	(9,956)
Decrease in account payables		(14,887)	(30,610)
Increase/(decrease) in customers' deposits received, accrued expenses, other payables and provisions		40,218	(2,052)
Cash generated from/(used in) operations		8,429	(15,945)
Interest paid		(3,749)	(5,393)
Income tax paid		(2,269)	(7,934)
Net cash generated from/(used in) operating activities		2,411	(29,272)
<b>Cash flows from investing activities</b>			
Interest received		243	1,287
Acquisition of additional interest in a subsidiary from minority shareholders		—	(5,287)
Purchase of property, plant and equipment		(9)	(2,686)
Purchase of available-for-sale investment		(2,000)	—
Purchase of leasehold improvements for investment properties		—	(885)
Proceeds from disposals of investment properties	15	1,606	—
Net cash used in investing activities		(160)	(7,571)

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	2006 HK\$'000	2005 HK\$'000
<b>Cash flows from financing activities</b>		
Dividends paid	(2,926)	(2,926)
Dividends paid to minority shareholders of a subsidiary	(7,098)	(7,132)
Capital contributions by minority shareholders	4,469	1,730
Advances from minority shareholders	4,062	5,209
(Repayments to)/advances from an intermediate holding company	(7,390)	7,748
Drawdown of bank loans	—	29,546
Repayments of bank loans	(28,976)	(35,490)
Repayments to related companies	(526)	(244)
(Repayments to)/advances from a director	(47)	74
<b>Net cash used in financing activities</b>	<b>(38,432)</b>	<b>(1,485)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(36,181)</b>	<b>(38,328)</b>
Cash and cash equivalents at 1 January	49,397	87,918
Effect of foreign exchange rate changes, net	3,814	(193)
<b>Cash and cash equivalents at 31 December</b>	<b>17,030</b>	<b>49,397</b>
<b>Analysis of the balances of cash and cash equivalents</b>		
Cash at banks and in hand	17,030	49,402
Bank overdrafts	—	(5)
	<b>17,030</b>	<b>49,397</b>