

Consolidated Cash Flow Statement

For the year ended 31 December 2006



Note	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	44,130	(15,358)
Adjustments for:		
Finance costs	945	530
Interest income	(1,624)	(8)
Depreciation on fixed assets	774	190
Share-based payments	5,576	5,778
Reversal of write down of properties held for resale	(100)	(1,200)
Impairment loss on properties under development	-	4,803
Allowance for bad and doubtful debts	2,412	159
Allowance for other receivables	540	269
Bad debts written off	-	466
Deposit written off	-	20
Fixed assets written off	162	-
Write back of other payables and accruals	(1,037)	-
Loss on disposal of fixed assets	-	6
Gain on disposal of a subsidiary	(6,200)	(253)
Operating profit/(loss) before working capital changes	45,578	(4,598)
Decrease in properties held for resale	-	8,380
Decrease in inventories	33	1,697
Increase in trade and other receivables	(108,628)	(2,459)
Increase/(decrease) in trade and other payables	7,119	(7,122)
Cash used in operations	(55,898)	(4,102)
Interest paid	(286)	(355)
PRC taxation paid	(682)	(60)
PRC taxation refund	-	177
Net cash used in operating activities	(56,866)	(4,340)

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	Note	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of fixed assets		(808)	(137)
Proceeds from disposal of fixed assets		-	1
Payment for properties under development		(739)	(839)
Interest received		1,624	8
Balance payment for acquisition of a subsidiary	26(b)	(20,000)	-
Net cash inflow/(outflow) from acquisition of subsidiaries	31(a)	1,139	(5,540)
Net cash (outflow)/inflow from disposal of a subsidiary	31(b)	(4)	1,250
Net cash used in investing activities		<u>(18,788)</u>	<u>(5,257)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of bank loans		-	(4,493)
Repayment of other loans		(1,721)	(274)
Repayment of loans from a shareholder		(15,571)	-
Other loans raised		1,904	7,412
Loan from a shareholder		20,000	5,800
Net proceeds from issue of shares		207,694	-
Net cash from financing activities		<u>212,306</u>	<u>8,445</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Exchange differences		752	147
CASH AND CASH EQUIVALENTS AT 1 JANUARY		<u>4,003</u>	<u>5,008</u>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		<u>141,407</u>	<u>4,003</u>