

Consolidated Cash Flow Statement

For the year ended 31 December 2005

	2005 HK\$'000	2004 HK\$'000 (Restated)
Operating activities		
Profit before taxation	26,907	59,469
Adjustments for:		
Amortisation of prepaid lease payments	52	396
Depreciation of property, plant and equipment	3,571	3,160
Recognition of share – based payments	313	—
Gain on change in fair value of investment properties	(31,556)	—
Interest income	(1,287)	(679)
Interest expense	5,393	1,193
Operating cash flows before movements in working capital	3,393	63,539
(Increase) decrease in properties under development	(70,239)	23,938
Decrease (increase) in properties held for sale	63,592	(73,709)
Decrease in property sale receivable	29,927	3,824
Increase in other debtors, deposits and prepayments	(9,956)	(39,953)
Decrease in customers' deposits received	(1,624)	(319)
(Decrease) increase in creditors and accrued charges and long term payables	(31,038)	21,364
Cash used in operations	(15,945)	(1,316)
Tax paid in other jurisdictions	(7,934)	(3,894)
Interest paid	(5,393)	(3,524)
Net cash used in operating activities	(29,272)	(8,734)
Investing activities		
Interest received	1,287	679
Acquisition of additional interest in a subsidiary from minority shareholders	(5,287)	—
Purchase of property, plant and equipment	(2,686)	(6,881)
Purchase of leasehold improvements for investment properties	(885)	—
Net cash used in investing activities	(7,571)	(6,202)

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Financing activities		
Dividend paid	(2,926)	(8,778)
Dividend paid to minority shareholders of a subsidiary	(7,132)	—
Capital contributions by minority shareholders	1,730	12,147
Advances from (repayment to) minority shareholders	5,209	(10,876)
Advances from an intermediate holding company	7,748	8,896
New bank loans raised	29,546	65,093
Repayment of bank loans	(35,490)	—
(Repayment to) advance from a related company	(244)	707
Advance from a director	74	—
Net cash (used in) generated from financing activities	(1,485)	67,189
Net (decrease) increase in cash and cash equivalents	(38,328)	52,253
Cash and cash equivalents at 1 January	87,918	35,665
Effect on foreign exchange rate change	(193)	—
Cash and cash equivalents at 31 December	49,397	87,918
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	49,402	88,010
Bank overdraft	(5)	(92)
	49,397	87,918