



CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2005

(Expressed in Hong Kong dollars)

	Note	2005 HK\$'000	2004 HK\$'000 (As restated)
Cash flows from operating activities			
Profit before income tax		877	4,083
Adjustments for:			
Finance costs		11,959	11,669
Share of profit of a jointly-controlled entity		(44,626)	(25,063)
Depreciation		406	332
Equity-settled share-based payments		–	647
Interest income		(6)	(66)
Gain on disposal of property, plant and equipment		–	(30)
Gain on disposal of investment properties		(585)	–
Write-off of property, plant and equipment		–	746
Write-off of investment properties		–	470
Write-off of other receivables		–	111
Provision for impairment losses of accounts receivable		4,145	–
Provision for impairment losses of amounts due from contract customers		4,411	–
Provision for impairment losses of other receivables		1,478	–
Provision for impairment loss of amount due from a joint venturer		3,702	–
Revaluation surplus on investment properties		(159)	(18,072)
Net loss on reclassification of subsidiaries to available-for-sale investments		–	3,352
Net gain on resumption of control over a subsidiary		(1,117)	–
Operating loss before working capital changes		(19,515)	(21,821)
Changes in working capital:			
Accounts receivable		1,280	(8,703)
Prepayments, deposits and other receivables		(3,004)	102
Amount due from a jointly-controlled entity		(658)	195
Amounts due from joint venturers		(2,514)	3,375
Amount due from a related company		1,464	–
Restricted bank balance		–	417
Accounts payable		3,602	8,526
Accruals and other payables		2,515	222
Amount due to a joint venturer		–	(16)
Amounts due to related companies		(159)	159
Net cash used in operations		(16,989)	(17,544)
Interest received		6	66
Hong Kong profits tax paid		(60)	(80)
Overseas taxes paid		–	(184)
Net cash used in operating activities		(17,043)	(17,742)

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CONSOLIDATED CASH FLOW STATEMENT



For the year ended 31 December 2005

(Expressed in Hong Kong dollars)

	Note	2005 HK\$'000	2004 HK\$'000 (As restated)
Cash flows from investing activities			
Payment to acquire property, plant and equipment		(85)	(267)
Proceeds from disposal of investment properties		6,041	–
Proceeds from disposal of property, plant and equipment		–	360
Purchases of investment properties		–	(658)
Cash outflow arising from the reclassification of subsidiaries to available-for-sale investments	35	–	(12,318)
Cash inflow arising from resumption of control over a subsidiary	35	4,728	–
Net cash generated from/(used in) investing activities		10,684	(12,883)
Cash flows from financing activities			
Advance from a jointly-controlled entity		7,297	57,477
Repayment to a jointly-controlled entity		–	(34,823)
Repayment to a joint venturer		–	(747)
Advance from the ultimate holding company		10,744	36,813
Repayment to the ultimate holding company		(19,002)	(17,988)
New short-term borrowings raised		15,000	–
Repayment of bank loans		–	(9,903)
Interest paid		(7,221)	(6,083)
Net cash generated from financing activities		6,818	24,746
Net increase/(decrease) in cash and cash equivalents		459	(5,879)
Cash and cash equivalents as at 1 January 2005/2004		2,035	7,914
Cash and cash equivalents as at 31 December 2005/2004		2,494	2,035
Analysis of balances of cash and cash equivalents			
Cash and bank balances		2,494	2,035

As at 31 December 2005, the Group had cash and cash equivalents of approximately HK\$2,311,000 (2004: HK\$1,892,000) which are denominated in Renminbi. The remittance of these funds out of the People's Republic of China ("PRC") is subject to exchange control restrictions imposed by the PRC government.

The accompanying notes form an integral part of these financial statements.