

# Consolidated Cash Flow Statement

For the year ended 31 December 2006

		Year ended 31/12/2006 HK\$'000	9 months ended 31/12/2005 HK\$'000
	Note		
<b>Operating activities</b>			
Profit before taxation	8(b)	57,300	36,229
Adjustments for:			
Depreciation		2,686	2,073
Impairment loss for bad and doubtful debts		582	—
Impairment loss on goodwill		—	30,160
Loss on disposal of property, plant and equipment		2,301	28
Net realized and unrealised loss/(gain) on trading securities		7	(25)
Interest income		(1,198)	(144)
Finance costs		6,544	191
Share of results of associates		(95,555)	(86,140)
Loss on disposal of subsidiaries		4,820	—
Reversal of provision for long service payments		—	(47)
<b>Operating loss before changes in working capital</b>		<b>(22,513)</b>	<b>(17,675)</b>
Decrease in inventories		4,587	6,517
Increase in properties held for sale		(85,662)	—
(Increase)/decrease in trade and other receivables		(1,081)	2,927
(Decrease)/increase in trade and other payables		(4,309)	1,526
(Decrease)/increase in bills payable		(353)	60
Decrease in provision for long service payments		—	(947)
<b>Cash used in operations</b>		<b>(109,331)</b>	<b>(7,592)</b>
Tax paid		—	(346)
<b>Net cash used in operating activities</b>		<b>(109,331)</b>	<b>(7,938)</b>

# Consolidated Cash Flow Statement

For the year ended 31 December 2006

		Year ended 31/12/2006 HK\$'000	9 months ended 31/12/2005 HK\$'000
	Note		
<b>Investing activities</b>			
Acquisition of subsidiaries, net of cash acquired	35(a)	11,456	—
Interest received		1,198	144
Dividend received from associates		43,262	—
Increase in pledged deposits		(100)	—
Net cash inflow upon disposal of interests in subsidiaries	35(b)	1,071	—
Purchase of investment properties		(61,114)	—
Purchase of property, plant and equipment		(930)	(3,448)
Purchase of properties under development		(12,379)	(72,197)
Proceeds from disposal of property, plant and equipment		697	—
Proceeds from disposal of trading securities		16	11
<b>Net cash used in investing activities</b>		<b>(16,823)</b>	<b>(75,490)</b>
<b>Financing activities</b>			
Capital element of finance lease rentals paid		(253)	(250)
Loan payable		35	52,200
Repayment of loan notes		(15,000)	(5,156)
Net proceeds from issue of new shares		58,433	20,090
Proceeds from new bank loans		99,457	—
Increase in amount due to minority interests		1,574	19,438
(Decrease)/increase in amount due to related companies		(913)	913
Increase/(decrease) in due to an ex-director		817	(1,700)
Proceeds from issue of unlisted warrants		—	4,950
Interest element of finance lease rentals paid		(23)	(14)
Other borrowing costs paid		(1,732)	—
<b>Net cash generated from financing activities</b>		<b>142,395</b>	<b>90,471</b>
<b>Net increase in cash and cash equivalents</b>		<b>16,241</b>	<b>7,043</b>
<b>Cash and cash equivalents at beginning of year/period</b>		<b>19,517</b>	<b>12,818</b>
<b>Effect of foreign rate changes</b>		<b>(363)</b>	<b>(344)</b>
<b>Cash and cash equivalents at end of year/period</b>	26	<b>35,395</b>	<b>19,517</b>

The notes on pages 38 to 108 form an integral part of these financial statements.