

## Consolidated Cash Flow Statement

Year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before tax		<b>7,705</b>	(14,941)
Adjustments for:			
Interest income	5	<b>(3,763)</b>	(1,791)
Exchange gains, net		<b>–</b>	(238)
Dividend income from listed investments	5	<b>(85)</b>	–
Gain on disposal of listed investments	5	<b>(365)</b>	(138)
Fair value gains on investment properties	5	<b>(1,523)</b>	(1,958)
Fair value losses, net:			
Equity investments at fair value through profit or loss	6	<b>123</b>	–
Depreciation	6	<b>6,131</b>	8,735
Loss on disposal of items of property, plant and equipment	6	<b>106</b>	14
Amortisation of deferred development costs	6	<b>2,807</b>	2,319
Amortisation of goodwill	6	<b>–</b>	3,672
Finance costs	9	<b>17</b>	875
Equity-settled share option expenses	32	<b>307</b>	837
Operating profit/(loss) before working capital changes		<b>11,460</b>	(2,614)
Increase in inventories		<b>(8,775)</b>	(5,596)
Decrease/(increase) in trade receivables		<b>35,530</b>	(35,895)
Decrease in amounts due from contract customers		<b>54,961</b>	41,069
Decrease/(increase) in prepayments, deposits and other receivables		<b>(4,458)</b>	734
Decrease in trade payables, other payables and accruals		<b>(3,354)</b>	(30,409)
Increase/(decrease) in deferred income		<b>557</b>	(255)
Increase in amounts due to minority shareholders of subsidiaries		<b>–</b>	417
Cash generated from/(used in) operations		<b>85,921</b>	(32,549)
Interest paid		<b>(17)</b>	(875)
Hong Kong profits tax paid		<b>(345)</b>	(215)
Overseas taxes paid		<b>(91)</b>	(116)
Net cash inflow/(outflow) from operating activities		<b>85,468</b>	(33,755)

## Consolidated Cash Flow Statement (continued)

Year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
Net cash inflow/(outflow) from operating activities		<b>85,468</b>	(33,755)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		<b>3,763</b>	1,791
Dividend received from listed investments		<b>85</b>	–
Purchases of items of property, plant and equipment	14	<b>(1,603)</b>	(3,932)
Purchases of listed investments		<b>(19,676)</b>	(3,000)
Purchases of held-to-maturity securities		<b>(3,900)</b>	–
Proceeds on disposal of items of property, plant and equipment		–	369
Proceeds on disposal of listed investments		<b>14,910</b>	3,138
Held-to-maturity securities settled		–	8,860
Additions to deferred development costs	17	<b>(1,400)</b>	(814)
Decrease in pledged bank deposits		<b>15,824</b>	17,133
Net cash inflow from investing activities		<b>8,003</b>	23,545
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares	31	–	268
Repurchase of shares	31	<b>(4,704)</b>	–
Increase in other financial liabilities	29	–	23,400
New bank loans		–	28,000
Repayment of bank loans		<b>(15,000)</b>	(48,000)
Net cash inflow/(outflow) from financing activities		<b>(19,704)</b>	3,668
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		<b>73,767</b>	(6,542)
Cash and cash equivalents at beginning of year		<b>98,050</b>	104,441
Effect of foreign exchange rate changes, net		<b>(29)</b>	151
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>			
		<b>171,788</b>	98,050
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	25	<b>28,993</b>	65,707
Non-pledged time deposits with original maturity of less than three months when acquired	25	<b>142,795</b>	32,343
		<b>171,788</b>	98,050