

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		(25,450)	31,719
Adjustments for:			
Finance costs	7	10,229	9,373
Share of profits and losses of associates		659	1,811
Share of profits and losses of jointly-controlled entities		264	116
Bank interest income	6	(737)	(796)
Loss on disposal of items of property, plant and equipment	6	69	577
Impairment of property, plant and equipment	6, 13	3,780	–
Imputed interest on interest-free trade and other receivables	5	(3,788)	–
Gain on disposal of investment properties	5	–	(238)
Depreciation	6	14,418	17,338
Release of goodwill upon disposal of partial interests in subsidiaries	6	629	7,135
Amortisation of other intangible assets	6	2,311	2,264
Impairment of available-for-sale investments	6	99	107
Changes in fair value of investment properties	14	4,900	(200)
Provision against an amount due from an associate	6	4,500	–
Operating profit before working capital changes		11,883	69,206
Decrease/(increase) in inventories		10,769	(16,922)
Increase in amounts due from customers for contract works		(1,903)	(2,463)
Decrease in properties held for sale		1,250	11,478
Decrease/(increase) in trade and bills receivables		70,573	(64,137)
Decrease in other receivables, prepayments and deposits		16,794	2,191
Increase/(decrease) in trade and bills payables		(35,971)	12,995
Increase in amounts due to customers for contract works		5,554	7,337
Increase/(decrease) in other payables and accruals		7,316	(5,488)
Cash generated from operations		86,265	14,197
Interest received		737	796
Interest paid		(9,606)	(9,373)
Hong Kong profits tax paid		(419)	–
Overseas (or Mainland China corporate income) taxes paid		(2,883)	(1,290)
Dividends paid to minority shareholders		(866)	(1,034)
Net cash inflow from operating activities		73,228	3,296

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Year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	13	(7,259)	(7,173)
Proceeds from disposal of items of property, plant and equipment		102	80
Proceeds from disposal of investment properties		–	6,678
Purchases of other intangible assets	16	(472)	–
Purchases of available-for-sale investments		–	(1,594)
Acquisition of subsidiaries	32	2,576	(639)
Balance payment for the acquisition of subsidiaries		(2,328)	(7,119)
Proceeds from disposal of a jointly-controlled entity		–	474
Additional investment in a jointly-controlled entity		(1,637)	(22,642)
Increase in an amount due from a jointly-controlled entity		–	(498)
Investment in an associate		(2,358)	–
Increase in amounts due from associates		(570)	(43)
Decrease/(increase) in pledged deposits		20,579	(3,680)
Net cash inflow/(outflow) from investing activities		8,633	(36,156)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		43,942	75,000
Repayment of bank loans		(130,419)	(41,211)
Advance from an intermediate holding company		50,000	–
Capital contributed by minority shareholders		–	564
Advance from/(repayment to) minority shareholders		2,454	(1,803)
Net cash inflow/(outflow) from financing activities		(34,023)	32,550
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		47,838	(310)
Cash and cash equivalents at beginning of year		88,930	89,189
Effect of foreign exchange rate changes, net		1,997	51
CASH AND CASH EQUIVALENTS AT END OF YEAR		138,765	88,930
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		146,833	102,506
Bank overdrafts	27	(8,068)	(13,576)
		138,765	88,930