

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2005

|  | <i>Note</i> | 2005<br>HK\$'000 | 2004<br>HK\$'000 |
|--|-------------|------------------|------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                          |             |                  |                  |
| (Loss)/profit before taxation  |             | (3,539)          | 162,692          |
| Adjustments for:   |             |                  |                  |
| Write down of receivables  |             | 19               | 139              |
| Interest income  |             | (6)              | (4)              |
| Finance costs  |             | 320              | 1,268            |
| Depreciation   |             | 383              | 477              |
| Gain on deconsolidation of a subsidiary under winding-up court order |             | –                | (50,239)         |
| Loss on disposal of property, plant and equipment                    |             | 8                | –                |
| Gain arising from debts discharged under Creditors' Scheme           |             | –                | (100,306)        |
| Gain on disposal of subsidiaries                                     |             | (1,068)          | (23,022)         |
|  |             | <hr/>            | <hr/>            |
| Operating loss before working capital changes                        |             | (3,883)          | (8,995)          |
| Increase in amounts due from customers on construction contracts     |             | (380)            | (16,993)         |
| (Increase)/decrease in accounts receivable                           |             | (690)            | 1,693            |
| Decrease in prepayments, deposits and other receivables              |             | 827              | 793              |
| Decrease/(increase) in inventories                                   |             | 341              | (748)            |
| Increase in accounts payable   |             | 3,723            | 1,845            |
| Increase in amounts due to customers on construction contracts       |             | 15               | –                |
| Increase in accruals and other payables                              |             | 2,515            | 5,690            |
|  |             | <hr/>            | <hr/>            |
| Cash generated from/(used in) operations                             |             | 2,468            | (16,715)         |
| Interest paid  |             | (320)            | (1,268)          |
| Income tax paid  |             | (11)             | –                |
|  |             | <hr/>            | <hr/>            |
| Net cash generated from/(used in) operating activities               |             | 2,137            | (17,983)         |



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|--|-------|---------------------|---------------------|
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                      |       |                     |                     |
| Deconsolidation of a winding-up subsidiary                       | 26(a) | –                   | (43)                |
| Purchase of property, plant and equipment                        |       | (278)               | (3,415)             |
| Proceeds on disposal of property, plant and equipment            |       | 8                   | –                   |
| Disposal of subsidiaries   | 26(b) | –                   | (2)                 |
| Interest received  |       | 6                   | 4                   |
|  |       | <u>–</u>            | <u>–</u>            |
| Net cash used in investing activities                            |       | <u>(264)</u>        | <u>(3,456)</u>      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                      |       |                     |                     |
| Proceeds from issue of share capital                             |       | –                   | 27,636              |
| Payment to Scheme Creditors                                      |       | –                   | (12,000)            |
| Advances from a shareholder                                      |       | –                   | 7,762               |
| Repayment to a shareholder                                       |       | (3,309)             | –                   |
| Proceeds from loan from a finance company                        |       | –                   | 1,300               |
| Repayment of loan from a finance company                         |       | (65)                | (6)                 |
|  |       | <u>–</u>            | <u>–</u>            |
| Net cash (used in)/generated from financing activities           |       | <u>(3,374)</u>      | <u>24,692</u>       |
| <b>NET (DECREASE)/INCREASE IN CASH AND<br/>CASH EQUIVALENTS</b>  |       | <b>(1,501)</b>      | <b>3,253</b>        |
| <b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>                    |       | <b>3,365</b>        | <b>112</b>          |
| Effect of foreign exchange rate changes                          |       | 106                 | –                   |
|  |       | <u>106</u>          | <u>–</u>            |
| <b>CASH AND CASH EQUIVALENTS AT<br/>31 DECEMBER</b>              |       | <b><u>1,970</u></b> | <b><u>3,365</u></b> |
| <b>ANALYSIS OF THE BALANCES OF CASH AND<br/>CASH EQUIVALENTS</b> |       |                     |                     |
| Bank and cash balances   |       | <u>1,970</u>        | <u>3,365</u>        |

