

# CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before tax:			
From continuing operations		21,069	9,093
From a discontinued operation	12	–	(1,960)
Adjustments for:			
Finance costs	6	12,981	11,059
Share of losses of associates		1,619	9,140
Loss on disposal of an associate		6,180	–
Gain on disposal of subsidiaries	5	–	(1,128)
Surplus arising from revaluation of land and buildings	15	(4,477)	(5,261)
Changes in fair value of investment properties	16	(3,880)	–
Fair value adjustment on properties held for resale	21	–	(2,914)
Provision for impairment of other assets	7	–	938
Write-back of impairment of accounts receivable	7	(1,105)	(5,484)
Write-down/(write-back) of inventories			
to net realisable value	7	(579)	2,790
Depreciation	7	1,908	1,475
Loss/(gain) on disposal of items of properties, plant and equipment	7	163	(32)
Fair value (gains)/losses on equity investments			
at fair value through profit or loss, net	7	(2,136)	2,656
Impairment of available-for-sale investments	7	340	–
Gain on disposal of available-for-sale investments	7	(499)	–
Gain on disposal of equity investments at fair value through profit or loss		–	(16)
Interest income	5	(3,403)	(1,317)
		<b>28,181</b>	19,039
Increase in retention monies receivable		(6,470)	(1,108)
Decrease in inventories		24,837	19,327
Decrease/(increase) in the gross amount due from contract customers		6,209	(501)
Decrease/(increase) in trade and bills receivables		(138,051)	46,719
Movement in balances with related companies, net		3,319	408
Decrease/(increase) in prepayments, deposits and other receivables		184	(820)
Increase/(decrease) in the gross amount due to contract customers		30,918	(2,797)
Increase/(decrease) in trade and bills payables		12,249	(12,071)
Increase in retention monies payable		1,979	–
Increase/(decrease) in other payables and accruals		69,408	(4,813)
Decrease in provision		(91)	(257)
Cash generated from operations		32,672	63,126
Interest received		3,403	1,317
Interest paid		(12,981)	(11,059)
Hong Kong profits tax refunded/(paid), net		405	(7,131)
Overseas taxes paid		(250)	(368)
Net cash inflow from operating activities-page 32		<b>23,249</b>	45,885

# CONSOLIDATED CASH FLOW STATEMENT (continued)

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
Net cash inflow from operating activities-page 31		<u>23,249</u>	<u>45,885</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of items of property, plant and equipment	15	(473)	(573)
Proceeds from disposal of items of property, plant and equipment		139	206
Disposal of subsidiaries	37	-	5,158
Proceeds from disposal of equity investments at fair value through profit or loss		809	1,184
Proceeds from disposal of available-for-sale investments		499	-
Proceeds from disposal of an associate		9,566	-
Acquisition of subsidiaries	38	<u>(22,442)</u>	<u>-</u>
Net cash inflow/(outflow) from investing activities		<u>(11,902)</u>	<u>5,975</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of new shares	34	59,489	-
Share issue expenses	36(b)	(2,689)	-
Increase/(decrease) in trust receipt loans		49,679	(33,681)
Dividend paid to a minority shareholder		-	(888)
Loan repayment to a minority shareholder		-	(184)
New bank loans		15,000	5,000
Repayment of bank loans		<u>(6,750)</u>	<u>(5,000)</u>
Net cash inflow/(outflow) from financing activities		<u>114,729</u>	<u>(34,753)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of year		44,690	27,818
Effect of foreign exchange rate changes, net		<u>(309)</u>	<u>(235)</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<u>170,457</u>	<u>44,690</u>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	27	84,886	14,268
Non-pledged time deposits with original maturity of less than three months when acquired	27	93,979	55,834
Time deposits with original maturity of less than three months when acquired, pledged as security for bank overdraft facilities	27	26,800	-
Bank overdrafts	30	<u>(35,208)</u>	<u>(25,412)</u>
		<u>170,457</u>	<u>44,690</u>