

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 HK\$'000	2005 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before income tax		(515)	12,278
Adjustments for:			
Interest income		(219)	(99)
(Gain)/loss arising from changes in fair value of financial assets at fair value through profit or loss		(68)	65
Realised loss on disposal of financial assets at fair value through profit or loss		–	26
Reversal of losses of subsidiaries on deconsolidation	29	–	(13,021)
Gain on forfeiture of deposits received		–	(8,700)
Depreciation		305	384
Impairment on receivables		22	–
Gain on adjustment of the amortised cost of convertible note		(3,375)	–
Imputed interest on convertible note		4,256	–
Interest expenses		200	266
Operating profit/(loss) before working capital changes		606	(8,801)
Increase in inventories		(6)	(4,775)
Increase in trade and other receivables		(15,031)	(14,728)
Increase in trade and other payables		7,887	9,366
(Decrease)/increase in provisions		(1,828)	106
Cash used in operations		(8,372)	(18,832)
Tax paid		(835)	–
Interest paid		–	(176)
NET CASH FLOW USED IN OPERATING ACTIVITIES		(9,207)	(19,008)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		219	99
Net cash outflow from deconsolidation of subsidiaries	29	–	(45)
Proceeds from disposal of financial assets at fair value through profit or loss		–	286
Payment for acquisition of property, plant and equipment		(245)	(341)
NET CASH FLOW USED IN INVESTING ACTIVITIES		(26)	(1)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2006

(Continued)

Note	2006 HK\$'000	2005 HK\$'000 (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of convertible note	–	30,000
Capital injection by minority shareholders in a subsidiary	4,682	5,769
Repayment of other borrowing	–	(111)
NET CASH FLOW GENERATED FROM FINANCING ACTIVITIES	4,682	35,658
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(4,551)	16,649
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	17,369	720
EFFECT OF FOREIGN CURRENCY TRANSLATION	412	–
CASH AND CASH EQUIVALENTS AT END OF YEAR	13,230	17,369
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	13,230	17,369