

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31ST DECEMBER, 2006

NOTES	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES		
Profit (loss) before tax	210	(71,932)
Adjustments for:		
Allowance for inventories	287	45
Depreciation and amortisation	5,423	6,825
Fair value gain on investment properties	-	(52)
Finance costs	4,241	994
Gain on disposal of interests in subsidiaries	(879)	(5,289)
Loss (gain) on disposal of property, plant and equipment	18	(21)
Impairment loss in respect of interest in an associate	-	1,430
Impairment loss recognised in respect of trade and other receivables	-	521
Impairment loss arising from adjustment to fair value less costs to sell	-	74,879
Interest income	(9,261)	(5,789)
Reversal of impairment loss recognised in respect of trade and other receivables	-	(542)
Share of loss of an associate	-	116
Operating cash flows before movements in working capital	39	1,185
Increase in long-term receivables	(516)	-
Decrease in rental deposits paid	56,991	-
(Increase) decrease in inventories	(537)	161
Decrease in trade and other receivables and deposits	12,132	43,403
Increase in amounts due from customers for contract work	(3)	-
Increase (decrease) in amounts due to customers for contract work	55	(9,528)
Decrease in trade and other payables, rental deposits received and guarantee money received	(16,618)	(3,389)
Net cash generated from operations	51,543	31,832
Hong Kong Profits Tax paid	(8,117)	(365)
NET CASH FROM OPERATING ACTIVITIES	43,426	31,467

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INVESTING ACTIVITIES			
Interest received		5,501	5,787
Purchase of investment properties		-	(16,948)
Purchase of property, plant and equipment		(2,983)	(362)
Proceeds from disposal of property, plant and equipment		60	21
Acquisition of subsidiaries, net of cash and cash equivalent acquired	31	(230,213)	-
Disposal of subsidiaries, net of cash and cash equivalent disposed of	32	19,664	525,217
Repayment from other loans receivable		3,000	-
Deposit paid for acquisition of subsidiaries		-	(10,000)
Increase in pledged deposits		(56,875)	-
NET CASH (USED IN) FROM INVESTING ACTIVITIES		(261,846)	503,715
FINANCING ACTIVITIES			
Proceeds from issue of shares		55,680	-
Expenses incurred in relation to placement of new shares		(1,732)	-
Dividend paid		-	(1)
Interest paid		(26)	(4,172)
Repayment of borrowings		-	(338,046)
Repayment of obligations under a finance lease		(127)	(45)
NET CASH FROM (USED IN) FINANCING ACTIVITIES		53,795	(342,264)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(164,625)	192,918
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		205,781	12,863
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		41,156	205,781
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		41,156	199,936
Bank balances and cash attributable to assets classified as held for sale		-	5,845
		41,156	205,781