

Consolidated Cash Flow Statement

For the year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES			
Profit/(loss) before taxation		13,810	(18,173)
Adjustments for:			
Finance costs	7	29,288	28,514
Change in fair value of investment properties	15	–	(14,242)
Interest income	5	(1,562)	(1,716)
Gain on disposal of non-current assets held for sale	5	(20,927)	–
Loss on disposal of items of property, plant and equipment	6	516	341
Impairment on interest in an associate		–	255
Impairment on intangible assets	6	–	491
Write-down of inventories to net realisable value	6	141	1,314
Depreciation	6	37,148	43,541
Recognition of prepaid land lease payments		1,594	1,382
Write-off of intangible assets		3	–
Amortisation of intangible assets	6	12,176	10,611
Loss on disposal of subsidiaries, net	6	14,958	–
Impairment loss for bad and doubtful debts	6	2,924	2,418
Impairment on a disposal group	6	–	1,776
		90,069	56,512
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL			
Decrease/(increase) in inventories		17,328	(7,852)
Decrease/(increase) in accounts and bills receivable		27,663	(13,970)
(Increase)/decrease in prepayments, deposits and other receivables		(26,161)	2,584
Decrease in accounts and bills payable		(36,917)	(23,897)
Decrease in other payables and accruals		(15,091)	(27,710)
Decrease in amount due from a disposal group		26,821	–
		83,712	(14,333)
CASH GENERATED FROM/(USED IN) OPERATIONS			
Taxes paid		(1,319)	(3,264)
		82,393	(17,597)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES			
INVESTING ACTIVITIES			
Interest received		1,562	1,716
Purchases of items of property, plant and equipment	14, 36 (ii), (iii)	(15,654)	(57,560)
Proceeds from disposal of items of property, plant and equipment		2,187	2,825
Additions in prepaid land lease payments	16	–	(2,785)
Disposal of subsidiaries	40	(1,669)	–
Additions to other intangible assets		(15,723)	(301)
Decrease in balances with associates		(3)	(3)
Decrease/(increase) in pledged deposits		(53)	2,143
Proceeds from disposal of non-current assets held for sale		42,438	–
Purchase of trading securities		(936)	–
		12,149	(53,965)
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES			

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	<i>Notes</i>	2006 HK\$'000	2005 <i>HK\$'000</i>
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES		12,149	(53,965)
FINANCING ACTIVITIES			
Interest paid		(28,957)	(28,090)
Interest element on finance lease rental payments		(331)	(424)
Drawdown of directors' loans		–	19,890
Repayment of directors' loans		(2,340)	(5,850)
Share issue expenses		–	(142)
Drawdown of bank loans		29,981	119,241
Repayment of bank loans		(57,925)	(125,094)
(Decrease)/increase in trust receipt loans		(44,696)	59,751
Capital element of finance lease rental payments		(1,628)	(3,651)
NET CASH (USED IN)/ GENERATED FROM FINANCING ACTIVITIES		(105,896)	35,631
NET DECREASE IN CASH AND CASH EQUIVALENTS		(11,354)	(35,931)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		32,367	63,681
EFFECT OF FOREIGN EXCHANGE RATE CHANGES, NET		267	4,617
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		21,280	32,367
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents	28	27,772	44,917
Bank overdrafts	32	(6,492)	(13,624)
Cash and cash equivalents attributable to a disposal group	29	–	1,074
		21,280	32,367

The notes on pages 44 to 111 form an integral part of these financial statements.

