

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2006

	<i>Notes</i>	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		37,282	66,296
Adjustments for:			
Finance costs	7	1,480	1,142
Share of profits and losses of associates		(3,194)	(10,250)
Interest income	5	(3,002)	(3,008)
Gain on partial disposal of subsidiaries	5	(17,810)	—
Gain on disposal of subsidiaries	5	—	(21,939)
Gain on deemed partial disposal of subsidiaries	5	—	(10,652)
Loss on disposal of items of property, plant and equipment	6	126	216
Depreciation	6	13,070	12,692
Fair value losses/(gains) on equity investments at fair value through profit or loss	6	(162)	129
Revaluation surplus of land and buildings	5	(5,121)	(9,498)
Fair value gains of investment properties	5	(2,250)	(7,400)
		20,419	17,728
Increase in inventories		(22,237)	(9,804)
Increase in systems integration contracts		(25,992)	(146)
Increase in trade and bills receivables		(154,500)	(48,991)
Increase in prepayments, deposits and other receivables		(7,961)	(46,102)
Increase in equity investments at fair value through profit or loss		(207)	(368)
Increase in trade and bills payables		112,647	88,395
Increase in other payables and accruals		11,202	94,824
Exchange differences		(5,989)	(2,576)
Cash generated from/(used in) operations		(72,618)	92,960
Interest received		3,002	3,008
Interest paid		(1,438)	(1,142)
Interest element on finance lease rental payments		(42)	—
Hong Kong profits tax refunded/(paid)		17	(69)
Overseas taxes paid		(48)	(1,524)
Mainland of the People's Republic of China ("Mainland China" or the "PRC") corporate income tax paid		(2,070)	(756)
Net cash inflow/(outflow) from operating activities		(73,197)	92,477

CONSOLIDATED CASH FLOW STATEMENT *(continued)*

Year ended 31 December 2006

	<i>Notes</i>	2006 HK\$'000	2005 HK\$'000
Net cash inflow/(outflow) from operating activities		(73,197)	92,477
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(16,974)	(11,480)
Proceeds from disposal of items of property, plant and equipment		292	484
Proceeds from deemed partial disposal of subsidiaries		—	22,400
Dividends received from associates		—	6,780
Decrease in amounts due from associates		863	313
Acquisition of a subsidiary	<i>30(a)</i>	—	15,267
Disposal/partial disposal of subsidiaries	<i>30(b)</i>	(74,490)	8,954
Decrease/(increase) in time deposits with original maturity of more than three months when acquired		(59,871)	1,521
Increase in pledged deposits		(34,074)	(10,687)
Net cash inflow/(outflow) from investing activities		(184,254)	33,552
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		—	38,400
Decrease in trust receipt loans		(2,214)	(13,718)
Capital element of finance lease rental payments		149	—
Net cash inflow/(outflow) from financing activities		(2,065)	24,682
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		(259,516)	150,711
Cash and cash equivalents at beginning of year		412,874	258,079
Effect of foreign exchange rate changes, net		14,816	4,084
CASH AND CASH EQUIVALENTS AT END OF YEAR		168,174	412,874
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	23	94,310	405,304
Non-pledged time deposits with original maturity of less than three months when acquired		73,864	7,570
		168,174	412,874