

Consolidated Cash Flow Statement

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For the year ended 31 December 2006

	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(27,706)	(3,539)
Adjustments for:		
Write down of receivables	–	19
Interest income	(2,545)	(6)
Finance costs	470	320
Depreciation	411	383
Amortisation of other intangible asset	463	–
(Gain)/Loss on disposal of property, plant and equipment	(1,256)	8
Gain on disposal of subsidiaries	(939)	(1,068)
Gain on waiver of accrued directors' remuneration	(3,384)	–
Share-based payment expenses	27,574	–
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Operating loss before working capital changes	(6,912)	(3,883)
Increase in gross amounts due from customers for contract works	(1,285)	(380)
Increase in accounts receivable	(3,340)	(690)
(Increase)/Decrease in prepayments, deposits and other receivables	(666)	827
Decrease in inventories	214	341
Increase in accounts payable	5,038	3,723
(Decrease)/Increase in gross amounts due to customers for contract works	(15)	15
Increase in accruals and other payables	680	2,515
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Cash (used in)/generated from operations	(6,286)	2,468
Interest paid	(470)	(320)
Income tax paid	(22)	(11)
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Net cash (used in)/generated from operating activities	(6,778)	2,137

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For the year ended 31 December 2006

	<i>Note</i>	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,019)	(278)
Proceeds from disposal of property, plant and equipment		3,510	8
Proceeds from disposal of subsidiaries	30(b)	1,151	–
Interest received		2,545	6
Acquisition of subsidiaries	30(a)	<u>(27,517)</u>	<u>–</u>
Net cash used in investing activities		<u>(21,330)</u>	<u>(264)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from issue of share capital		151,082	–
Repayment to a then shareholder		(4,361)	(3,309)
Repayment of loan from a finance company		<u>(1,229)</u>	<u>(65)</u>
Net cash generated from/(used in) financing activities		<u>145,492</u>	<u>(3,374)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		117,384	(1,501)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		1,970	3,365
Effect of foreign exchange rate changes		<u>459</u>	<u>106</u>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		<u><u>119,813</u></u>	<u><u>1,970</u></u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank and cash balances		<u><u>119,813</u></u>	<u><u>1,970</u></u>