

# Consolidated Cash Flow Statement

For the year ended 31st December, 2005

	2005 HK\$'000	2004 HK\$'000 (restated)
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	15,807	61,441
Adjustments for:		
Share of results of associates	(8,281)	(8,123)
Interest income, other than interest income from money lending	(349)	(51)
Finance costs	1,356	1,688
Dividend income	(31)	(576)
Depreciation and amortisation	5,727	6,603
Release of prepaid lease payments	244	244
Allowance (reversal of allowance) for slow moving inventories	3,080	(823)
Allowance for bad and doubtful debts	835	3,068
Allowance for properties held for sale	–	106
Gain on disposal of property, plant and equipment	(125)	(643)
Loss on write-off of intangible assets	77	–
Gain on disposal of properties held for sale	(8)	–
Net unrealised gain on other investments	–	(431)
Net change in fair value of investments held for trading	2,587	–
Gain on disposal of subsidiaries	–	(2,627)
Loss on liquidation of a subsidiary	39	–
Gain on deemed acquisition of a subsidiary	(552)	–
Gain on disposal of available-for-sale investments	(902)	–
Gain on partial disposal of an associate	–	(2,032)
Gain on disposal of an associate	(500)	–
Impairment loss recognised in respect of goodwill arising on acquisition of subsidiaries	–	264
Impairment loss recognised in respect of property, plant and equipment	–	640
Impairment loss recognised on investments in securities	–	2,340
Operating cash flows before movements in working capital	19,004	61,088
Increase in investments held for trading/other investments	(8,168)	(3,201)
Decrease (increase) in inventories	2,313	(8,743)
Increase in properties held for sale	–	(504)
Decrease (increase) in amounts due from customers for contract work	5,330	(9,100)
Increase in loans receivable	(1,926)	(1,262)
Increase in debtors, deposits and prepayments	(34,706)	(69,829)
Increase in creditors, bills payable and accrued charges	438	76,244
Increase (decrease) in amounts due to customers for contract work	1,595	(1,959)
Decrease in retirement benefits obligations	(409)	(393)
Effect of foreign exchange rate changes	(323)	96
Cash (used in) generated from operations	(16,852)	42,437
Hong Kong and overseas profits tax paid	(1,601)	(192)
Hong Kong profits tax refunded	228	–
<b>NET CASH (USED IN) GENERATED FROM OPERATING ACTIVITIES</b>	<b>(18,225)</b>	<b>42,245</b>

# Consolidated Cash Flow Statement

For the year ended 31st December, 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (restated)
<b>INVESTING ACTIVITIES</b>			
Disposal of subsidiaries	38	–	16,003
Proceeds on disposal of an associate		329	–
Proceeds on disposal of available-for-sales investments		46	–
Proceeds on partial disposal of an associate	9	–	4,029
Proceeds on disposal of properties held for development		–	1,750
Proceeds on disposal of properties held for sale		6,108	–
Increase in pledged bank deposits		(62)	(2,347)
Proceeds on disposal of property, plant and equipment		237	960
Dividend received		31	576
Interest received, other than interest from money lending		349	51
Purchase of property, plant and equipment		(3,954)	(9,737)
Decrease (increase) in amounts due from associates		1,356	(2,523)
Purchase of investments in securities		–	(2,340)
Acquisition of a subsidiary	39	–	(1,492)
Investment in an associate		(2,254)	(19)
<b>NET CASH GENERATED FROM INVESTING ACTIVITIES</b>		<b>2,186</b>	<b>4,911</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from issue of convertible note		–	30,000
New borrowings raised, other than bank overdrafts		23,755	12,623
Repayment of borrowings		(15,695)	(30,228)
Increase (decrease) in trust receipt loans		3,129	(8,412)
Interest paid		(1,356)	(1,688)
Increase in amounts due to associates		(301)	(388)
Repayment of obligations under finance leases		(227)	(293)
Dividend paid to minority shareholders		–	(1,080)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>		<b>9,305</b>	<b>534</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(6,734)</b>	<b>47,690</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>64,086</b>	<b>16,396</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		<b>57,352</b>	<b>64,086</b>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Bank balances and cash		58,182	64,086
Bank overdrafts		(830)	–
		<b>57,352</b>	<b>64,086</b>