

Consolidated Cash Flow Statement

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Year ended 31 December 2005

	2005 HK\$'000	2004 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(149,023)	(49,916)
Adjustments for :		
Finance costs	1,977	4,068
Share of profit of associates	–	(6,266)
Bank interest income	(23)	(133)
Dividend income	(160)	(32)
Other interest income	–	(2,428)
Reversal of impairment provision on property, plant and equipment	–	(4,669)
Loss/(gain) on disposal of property, plant and equipment	8	(3,773)
Gain on disposal of investment properties	(6,074)	–
Gain on disposal of subsidiaries	(2,804)	(3,278)
Depreciation	2,115	2,608
Fair value gains on investment properties	(280)	–
Amortisation of goodwill	–	22,329
Impairment of goodwill	109,319	–
Provision for bad and doubtful debts	12,027	13,919
Deconsolidation of subsidiary	16,061	–
Impairment of a long term investment	800	–
Loss on disposal of available-for-sale equity investment	525	–
Gain on disposal of short term investments	(188)	–
Fair value gains on investment securities	(535)	–
Provision for inventories	–	458
Operating loss before working capital changes	(16,255)	(27,113)
Decrease in inventories	403	17,123
(Increase)/decrease in trade receivables	(1,698)	25,867
Decrease in loan receivables	–	63,200
Increase in prepayments, deposits, and other receivables	(7,638)	(5,780)
Decrease in trade payables	(4,774)	(19,726)
Increase in accrued liabilities and other payables	12,484	38,272
Cash (used in)/generated from operations	(17,478)	91,843
Interest paid	(1,910)	(3,969)
Interest element on finance leases	(67)	(99)
Hong Kong profits tax (paid)/refunded	(372)	4
Net cash (outflow)/inflow from operating activities		
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Continuing operations	(19,827)	104,908
Discontinuing operations	–	(17,129)
	(19,827)	87,779

Year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000
Net cash (outflow)/inflow from operating activities – page 27		(19,827)	87,779
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		23	2,561
Dividend received		160	32
Purchases of property, plant and equipment		(196)	(12,473)
Proceeds from disposal of property, plant and equipment		–	29,383
Proceeds from disposal of investment properties		37,578	–
Acquisition of subsidiaries	34(a)	(535)	(136,761)
Disposal of subsidiaries	34(b)	6,802	(5,287)
Deconsolidation of subsidiaries	34(c)	3,334	–
Purchases of available-for-sale equity investment		–	(5,536)
Purchases of short term investments		(227)	(533)
Proceeds from disposal of available-for-sale equity investment		5,011	–
Proceeds from disposal of short term investments		3,923	–
Decrease in pledged time deposits		–	7,724
Net cash inflow/(outflow) from investing activities		55,873	(120,890)
Continuing operations		–	–
Discontinuing operations		–	–
		<u>55,873</u>	<u>(120,890)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		7,580	41,466
Share issue expenses		–	(717)
Net repayment of bank and other borrowings		(20,747)	(2,413)
Decrease in trust receipt loans		(10,925)	(84,128)
Decrease in due to a minority shareholder		–	(25,020)
Capital element of finance lease payments		(1,096)	(1,034)
Net cash outflow from financing activities		(25,188)	(63,610)
Continuing operations		–	(8,236)
Discontinuing operations		–	–
		<u>(25,188)</u>	<u>(71,846)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		10,858	(104,957)
Cash and cash equivalents at beginning of year		29,306	134,263
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>40,164</u>	<u>29,306</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	26	41,764	40,088
Non-pledged time deposits with original maturity of less than three months when required	26	–	426
Bank overdrafts, secured	28	(1,600)	(11,208)
		<u>40,164</u>	<u>29,306</u>