

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2006
(Expressed in Hong Kong dollars)



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	Note	2006 HK\$'000	2005 HK\$'000
Cash flows from operating activities			
Profit before income tax		7,737	877
Adjustments for:			
Finance costs	9	8,225	11,959
Share of profit of a jointly-controlled entity		(26,731)	(44,626)
Depreciation of property, plant and equipment	8	254	406
Amortisation of prepaid land lease payments	8	26	–
Bank interest income	7	(26)	(6)
Gain on disposal of investment properties	8	–	(585)
Reversal of impairment of accounts receivable	7	(323)	–
Reversal of impairment of amount due from a subsidiary's minority shareholder	7	(913)	–
Loss on disposal of property, plant and equipment	8	13	–
Impairment of accounts receivable	8	8,876	4,145
Impairment of amounts due from contract customers	8	–	4,411
Impairment of other receivables	8	66	1,478
Impairment of amount due from a joint venturer	8	956	–
Impairment of amount due from a subsidiary's minority shareholder	8	–	3,702
Changes in fair value of investment properties	8	548	(159)
Net gain on resumption of control over a subsidiary	34(b)	–	(1,117)
Operating loss before working capital changes		(1,292)	(19,515)
Changes in working capital:			
Inventories		(315)	–
Accounts receivable		(9,490)	1,280
Prepayments, deposits and other receivables		(860)	(3,004)
Amount due from a jointly-controlled entity		(2,321)	(658)
Amount due from a joint venturer		(398)	(19)
Amount due from a related company		13,082	1,464
Amount due from a subsidiary's minority shareholder		2,832	(2,495)
Accounts payable		(2,754)	3,602
Accruals and other payables		2,574	2,515
Amounts due to related companies		–	(159)
Net cash generated from/(used in) operations		1,058	(16,989)
Bank interest received		26	6
Overseas income tax paid		(174)	–
Hong Kong profits tax refunded/(paid)		8	(60)
Net cash generated from/(used in) operating activities		918	(17,043)

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Cash flows from investing activities			
Payments to acquire property, plant and equipment		(226)	(85)
Proceeds from disposal of investment properties		–	6,041
Cash inflow arising from resumption of control over a subsidiary	34(b)	–	4,728
Net cash (used in)/generated from investing activities		(226)	10,684
Cash flows from financing activities			
Advance from a jointly-controlled entity		11,021	7,297
Advance from the ultimate holding company		1,791	10,744
Repayment to the ultimate holding company		–	(19,002)
New short-term borrowings raised		–	15,000
Repayment of short-term borrowings		(5,000)	–
Interest paid		(8,225)	(7,221)
Net cash (used in)/generated from financing activities		(413)	6,818
Net increase in cash and cash equivalents		279	459
Effect of exchange rate changes on balances held in foreign currencies		(547)	–
Cash and cash equivalents as at 1 January 2006/2005		2,494	2,035
Cash and cash equivalents as at 31 December 2006/2005		2,226	2,494
Analysis of balances of cash and cash equivalents			
Cash and bank balances		2,226	2,494

As at 31 December 2006, the Group had cash and cash equivalents of approximately HK\$1,984,000 (2005: HK\$2,311,000) which are denominated in Renminbi. The remittance of these funds out of the PRC is subject to exchange control restrictions imposed by the PRC government.