

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax:			
From continuing operations		10,410	(443)
From discontinued operations		11,581	(3,719)
Adjustments for:			
Finance costs	7	7,573	7,526
Share of profits and losses of associates		(1,936)	(396)
Bank interest income	5	(1,681)	(722)
Depreciation	15	13,099	16,783
Recognition of prepaid land premium	18	44	58
Loss on disposal of items of property, plant and equipment	6	712	1,476
Loss on disposal of an investment property	6	102	—
Loss/(gain) on fair value of investment properties, net	5, 6	1,780	(12,503)
Gain on disposal of assets/liabilities of disposal groups classified as held for sale, net	5	(299)	—
Gain on subsequent remeasurement of assets of disposal groups classified as held for sale, net	5	(473)	—
Write-back of impairment of properties under development	5	(1,450)	(7,663)
Gain on partial disposal of a subsidiary	5	—	(2,349)
Loss on disposal of subsidiaries, net	6	59	—
Gain on disposal of discontinued operations	12(a)	(11,581)	—
Gain on disposal of associates		—	(203)
Gain on disposal of an available-for-sale investment	5	(15,237)	—
Impairment of an equity investment at fair value through profit or loss	6	33	—
Write-back of impairment of items of property, plant and equipment		—	(1,127)
Impairment of available-for-sale investments	6	—	6
Impairment of amounts due from associates	6	10,233	12,426
Write-down of inventories to net realisable value	6	1,530	1,056
Impairment/(write-back of impairment) of trade receivables	5, 6	1,163	(1,547)
Impairment of deposit for purchase of a property	6	—	10,299
Write-back of other payables and accruals	5	(149)	(4,200)
Impairment of other receivables	6	—	5,598
Write-back of impairment of deposits and other receivables	5	(1,996)	(5,693)
Write-off of other receivables		206	1,897
		23,723	16,560

CONSOLIDATED CASH FLOW STATEMENT (continued)

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
		<u>23,723</u>	<u>16,560</u>
Decrease in inventories		4,056	16,490
Increase in trade receivables		(4,909)	(18,527)
Decrease/(increase) in prepayments, deposits and other receivables		14,317	(1,358)
Increase in trade and bills payables		1,901	8,142
Increase/(decrease) in other payables and accruals		(9,594)	82,390
Exchange realignments		(436)	(472)
Increase in assets of disposal groups classified as held for sale		(118,352)	(155,960)
Increase in liabilities of disposal groups classified as held for sale		<u>119,564</u>	<u>155,212</u>
Cash generated from operations		30,270	102,477
Interest paid		(7,544)	(7,447)
Interest element of finance lease rental payments		(44)	(50)
Dividend paid to minority shareholders		(230)	(356)
Overseas taxes refunded/(paid)		(4,296)	416
Hong Kong profits tax paid		<u>(173)</u>	<u>(140)</u>
Net cash inflow from operating activities		<u>17,983</u>	<u>94,900</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(13,872)	(9,176)
Proceeds from disposal of items of property, plant and equipment		1,187	3,877
Additions to properties under development		(350)	(59,035)
Advance to associates		(1,755)	(3,426)
Proceeds from disposal of associates		—	425
Proceeds from disposal of subsidiaries	39(a)	8,990	—
Proceeds from partial disposal of a subsidiary	39(b)	—	2,349
Repayment of a mortgage loan receivable		810	49
Proceeds from disposal of assets/liabilities of disposal groups classified as held for sale	12(b)	78,592	—
Proceeds from disposal of an available-for-sale investment		15,237	—
Increase in a pension scheme asset		(327)	(271)
Interest received		1,681	655
Dividend received from an associate		751	—
Proceeds from disposal of an investment property		1,538	—
Increase in time deposits with original maturity of more than three months		<u>(4,403)</u>	<u>—</u>
Net cash inflow/(outflow) from investing activities		<u>88,079</u>	<u>(64,553)</u>

CONSOLIDATED CASH FLOW STATEMENT (continued)

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	36	1,025	—
New bank loans		24,640	89,274
Repayment of bank loans		(104,038)	(84,875)
Capital element of finance lease rental payments		(495)	(411)
Net cash inflow/(outflow) from financing activities		<u>(78,868)</u>	<u>3,988</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		96,612	67,014
Cash and cash equivalents classified as assets of disposal groups held for sale		—	(4,648)
Effect of foreign exchange rate changes, net		250	(89)
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>124,056</u></u>	<u><u>96,612</u></u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	30	92,018	92,468
Non-pledged time deposits with original maturity of less than three months when acquired	30	<u>32,038</u>	<u>4,144</u>
Cash and cash equivalents for the purpose of consolidated cash flow statement		124,056	96,612
Time deposits with original maturity of more than three months	30	<u>4,403</u>	<u>—</u>
Cash and cash equivalents for the purpose of consolidated balance sheet		<u><u>128,459</u></u>	<u><u>96,612</u></u>