

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2006

	2006 HK\$'000	2005 HK\$'000
Operating activities		
Profit for the year	70,940	10,869
Adjustment for:		
Interest income	(1,568)	(420)
Interest expenses	8,527	8,245
Income tax expenses	9,747	4,735
Increase in fair value on investment properties	(18,500)	(6,000)
Impairment loss in respect of land use right	11,444	—
Exchange gain	(6,595)	—
Impairment loss on goodwill	—	7,604
Depreciation of property, plant and equipment	13,988	18,631
Loss on disposal of properties held for development	1,678	—
Amortisation of land use right	530	544
Unrealised holding (gain)/loss on financial assets at fair value through profit or loss	(2)	82
(Gain)/Loss on disposal of property, plant and equipment	(67)	243
Operating cash flow before movements in working capital	90,122	44,533
Increase in inventories	(27,905)	(969)
(Increase)/decrease in trade and other receivables	(28,683)	1,619
Increase/(decrease) in trade and other payables	17,229	(5,109)
Increase in deposit received on disposal of properties held for development	—	9,623
Cash generated from operating activities	50,763	49,697
Tax paid	(4,169)	—
Interest paid	—	(414)
Net cash generated from operating activities	46,594	49,283
Investing activities		
Purchases of property, plant and equipment	(13,036)	(3,597)
Interest received	1,216	420
Net proceeds from disposal of properties held for development	19,020	—
Net proceeds from disposal of property, plant and equipment	184	7
Net cash generated from/(used in) investing activities	7,384	(3,170)

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

For the year ended 31 December 2006

	2006 HK\$'000	2005 HK\$'000
Net increase in cash and cash equivalents	53,978	46,113
Cash and cash equivalents at 1 January	81,505	35,958
Effect of foreign exchange rates changes	1,932	(566)
Cash and cash equivalents at 31 December	<u>137,415</u>	<u>81,505</u>
Analysis of the balances of cash and cash equivalents Being:		
Bank balances and cash	<u>137,415</u>	<u>81,505</u>