

Consolidated Cash Flow Statement

For the year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
Cash flows from operating activities			
Profit before taxation		20,729	981
<i>Adjustment for:</i>			
Interest income	8	(222)	(246)
Discount on acquisition of additional interests in a subsidiary	35(b)	(456)	–
Discount on acquisition of a subsidiary	35(a)	(37)	–
Gain on disposal of partial equity interest in a subsidiary	36(b)	(297)	–
Gain on disposal of subsidiaries	36(a)	(3,684)	–
Impairment loss recognised in respect of goodwill		–	2,177
Depreciation of property, plant and equipment	18	7,050	5,369
Amortisation of intangible assets and land use rights		542	323
Provision on trade and other receivables		–	2,742
Current account waived by related company		–	(3,892)
(Gain)/Loss on disposal of property, plant and equipment		(637)	121
Interest expenses	12	1,419	2,245
Operating cash flows before movements in working capital		24,407	9,820
(Increase)/decrease in trade receivables, prepayment, deposit and other receivables		(18,940)	25,633
(Increase)/decrease in inventories		(14,247)	1,747
Decrease in amount due to minority shareholder		–	2,241
Increase in amounts due from related parties		(8,461)	(23,950)
Decrease in amounts due to an immediate holding		(440)	–
Increase in amounts due to directors		812	–
(Decrease)/increase amounts due to related parties		(4,846)	17,649
Increase/(decrease) in trade payables, accruals deposit received and other payables		7,927	(8,212)
Cash (used in)/generated from operations		(13,788)	24,928
Profits tax paid		(7)	–
Interest paid		(1,419)	(2,245)
<i>Net cash (used in)/generated from operating activities</i>		<u>(15,214)</u>	<u>22,683</u>



Consolidated Cash Flow Statement

For the year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
Cash flows from investing activities			
Interest received		222	246
Proceeds from disposal of property, plant and equipment		845	–
Purchase of property, plant and equipment	18	(1,454)	(11,921)
Purchase of intangible assets	19	(603)	(1,013)
Proceed from disposal of partial equity interests in a subsidiary	36(b)	6,943	–
Payment on acquisition of additional interests in a subsidiary	35(b)	(500)	–
Payment on acquisition of subsidiaries	35(a)	(394)	(58,212)
Proceeds from disposal of subsidiaries	36(a)	3,508	–
Increase in pledged time deposits		–	(98)
<i>Net cash generated from/(used in) investing activities</i>		<u>8,567</u>	<u>(70,998)</u>
Cash flows from financing activities			
Increase/(decrease) in bank borrowings		12,000	(2,054)
Advances from an immediate holding company		–	440
Repayment of obligations under finance leases		–	836
<i>Net cash generated from/(used in) financing activities</i>		<u>12,000</u>	<u>(778)</u>
Net increase/(decrease) in cash and cash equivalents		5,353	(49,093)
Cash and cash equivalents at the beginning of the year		25,556	74,649
Effect of foreign exchange rate changes		923	–
Cash and cash equivalents at the end of the year		<u>31,832</u>	<u>25,556</u>
Analysis of the balances of cash and cash equivalents			
Bank balances and cash		31,832	29,547
Bank overdrafts		–	(3,991)
		<u>31,832</u>	<u>25,556</u>

The accompanying notes form an integral part of these financial statements.

