

Consolidated Cash Flow Statement

For the year ended 31 December 2006

	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES		
Loss before taxation	(6,698)	(4,472)
Adjustments for:		
Allowance for (write back) obsolete inventories	1,249	(894)
(Write back) allowance for bad and doubtful debts	(152)	413
Finance costs	6,100	3,688
Interest income	(138)	(214)
Depreciation of property, plant and equipment	12,477	10,577
Amortisation of intangible assets	500	–
Amortisation of prepaid lease payments	112	–
Loss (gain) on disposal of property, plant and equipment	290	(1,055)
Operating cash flows before movements in working capital	13,740	8,043
Increase in inventories	(9,272)	(3,456)
Increase in trade receivables	(1,026)	(5,890)
Increase in deposits, prepayments and other receivables	(10,578)	(892)
Decrease in amounts due from fellow subsidiaries	3,537	1,466
Increase in trade payables	6,613	3,208
Increase (decrease) in other payables and accrued charges	3,690	(8,967)
Increase (decrease) in amounts due to fellow subsidiaries	1,793	(3,035)
Decrease in amount due to an associate	(3)	(3)
Cash generated from (used in) operations	8,494	(9,526)
Interest received	138	214
Finance costs paid	(2,228)	(3,688)
Overseas income taxes paid	(2,202)	(42)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	4,202	(13,042)

Consolidated Cash Flow Statement

For the year ended 31 December 2006

	NOTE	2006 HK\$'000	2005 HK\$'000
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(22,902)	(15,256)
Acquisition of business	29	(15,954)	–
Prepaid lease payments		(30,071)	–
Proceeds from disposal of property, plant and equipment		249	6,366
NET CASH USED IN INVESTING ACTIVITIES		(68,678)	(8,890)
FINANCING ACTIVITIES			
New bank loans raised		59,500	–
Repayment of bank loans		–	(2,162)
Net cash inflow (outflow) from trust receipt loans		181	(2,528)
Repayment to immediate holding company		–	(6,560)
NET CASH FROM (USED IN) FINANCING ACTIVITIES		59,681	(11,250)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(4,795)	(33,182)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		28,988	64,973
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		4,631	(2,803)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		28,824	28,988
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		29,216	28,988
Bank overdrafts		(392)	–
		28,824	28,988