

# Consolidated Cash Flow Statement

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before tax		3,472	(7,908)
Adjustments for:			
Interest income	7	(335)	(233)
Interest expenses	7	9,742	11,143
Depreciation	6	21,882	22,548
Amortisation of prepaid land lease payments	6	499	404
Loss on disposal of items of property, plant and equipment, net	6	906	110
Gain on disposal of subsidiaries	6	(2,520)	(452)
Equity-settled share option expenses	6, 27	144	222
Operating profit before working capital changes		33,790	25,834
Decrease/(increase) in stock		(18,441)	11,733
Increase in accounts receivable		(1,970)	(9,674)
Decrease/(increase) in prepayments, deposits and other receivables	30	(8,389)	23
Decrease in accounts payable		(5,589)	(7,358)
Increase/(decrease) in bills payable		17,666	(7,364)
Increase/(decrease) in other payables and accrued charges		7,066	(4,427)
Cash generated from operations		24,133	8,767
Interest received		335	233
Hong Kong profits tax paid		(1,081)	(3,312)
Overseas tax paid		(152)	(189)
Net cash inflow from operating activities		23,235	5,499
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of items of property, plant and equipment		(1,586)	(2,399)
Increase in prepaid land lease payments		(1,331)	—
Proceeds from disposal of items of property, plant and equipment		2,469	1,370
Disposal of subsidiaries	29	3,015	4,700
Increase in trademarks		(479)	(285)
Net cash inflow from investing activities		2,088	3,386

# Consolidated Cash Flow Statement

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid	7	(9,742)	(11,143)
New bank loans		—	32,203
Net repayment of bank loans		(15,030)	(47,977)
Decrease/(increase) in pledged bank deposits		(5,303)	4,718
Issue of shares, including share premium		450	1,819
Share issue expenses		—	(240)
<b>Net cash outflow from financing activities</b>		<b>(29,625)</b>	<b>(20,620)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at 1 January		24,552	36,287
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>			
		<b>20,250</b>	24,552
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		20,250	24,552