

Consolidated Cash Flow Statement

For the year ended 31st December, 2006

	NOTE	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES			
Profit before taxation		37,544	20,344
Adjustments for:			
Allowance for trade receivables		5,380	6,608
Bad debts written off		816	1,355
Allowance for other receivables		-	421
Write down of inventories		5,393	4,431
Impairment loss recognised in respect of club membership		60	-
Gain on fair value changes of held for trading investments		(6,185)	-
Interest income		(8,515)	(7,114)
Interest expenses		27,535	22,100
Loss on disposal of plant and equipment		-	3
Depreciation on plant and equipment		401	768
Increase in fair value of an investment property		(60)	(200)
Share-based payment expense		-	758
Operating cash flows before movements in working capital		62,369	49,474
(Increase) decrease in inventories		(418,294)	97,142
(Increase) decrease in trade and other receivables		(205,412)	141,592
Increase in bills receivable		(15,845)	-
Increase in held for trading investments		(5,879)	-
Increase (decrease) in trade and other payables		81,701	(13,531)
(Decrease) increase in bills payables		(30,000)	28,302
Cash (used in) generated from operations		(531,360)	302,979
PRC Enterprise Income Tax paid		(7,297)	(8,227)
Hong Kong Profits Tax (paid) refunded		(930)	220
NET CASH (USED IN) FROM OPERATING ACTIVITIES		(539,587)	294,972
INVESTING ACTIVITIES			
(Increase) decrease in pledged bank deposits		(3,125)	35,660
Purchase of plant and equipment		(332)	(536)
Interest received		8,515	7,114
Purchase of club membership		-	(660)
Increase in fixed deposit held at bank		-	(5,769)
Net cash outflow from disposal of subsidiaries	32	-	(13,467)
NET CASH FROM INVESTING ACTIVITIES		5,058	22,342

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FINANCING ACTIVITIES		
Bank and other borrowings raised	1,075,724	810,183
Bank and other borrowings repaid	(675,616)	(996,415)
Interest paid	(27,522)	(22,073)
Dividend paid	(3,021)	(11,329)
Dividend paid to minority interests	-	(8,525)
Repayment of obligations under finance leases	(100)	(200)
Interest on obligations under finance leases	(13)	(27)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	369,452	(228,386)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(165,077)	88,928
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	205,906	115,348
Effect of foreign exchange rate changes	8,561	1,630
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	49,390	205,906
Represented by:		
Bank balances and cash	50,448	205,906
Bank overdrafts	(1,058)	-
	49,390	205,906