

Year ended 31 December 2006 **CONSOLIDATED CASH FLOW STATEMENT**

	<i>Notes</i>	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		10,295	6,558
Adjustments for:			
Finance costs	8	207	610
Interest income	6	(644)	(406)
Dividend income from listed investments	6	–	(17)
Share of profits of associates		(5,214)	(675)
Depreciation	7	10,644	9,802
Recognition of prepaid land premiums	7	254	251
(Gain)/loss on disposal of items of property, plant and equipment	7	59	(236)
Realised gain on equity investments at fair value through profit or loss	6	–	(365)
Provision for slow-moving inventories	7	4,660	4,161
Fair value losses, net:			
Derivative instruments – transactions not qualifying as hedges	7	3,169	–
		23,430	19,683
Increase in a deposit for items of property, plant and equipment		(1,085)	–
(Increase)/decrease in inventories		(28,909)	9,824
(Increase)/decrease in trade receivables		(45,300)	26,772
(Increase)/decrease in prepayments, deposits and other receivables		(4,792)	692
Decrease in loan receivable		180	180
Increase/(decrease) in trade payables		40,042	(22,081)
Increase in other payables and accruals		6,136	2,380
Cash (used in)/generated from operations		(10,298)	37,450
Interest received		644	406
Interest paid		(207)	(610)
Hong Kong profits tax (paid)/refunded		(42)	324
Overseas taxes paid		(1,176)	(1,315)
Net cash (outflow)/inflow from operating activities		(11,079)	36,255
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	15	(4,013)	(8,546)
Purchases of equity interests in associates		(1,560)	–
Purchases of equity investments at fair value through profit or loss		–	(10,084)
Dividend income from an associate		3,440	–
Proceeds from disposal of equity investments at fair value through profit or loss		–	10,449
Proceeds from disposal of items of property, plant and equipment		–	741
Dividend income from listed investments		–	17
Repayment from an associate		–	1,959
Net cash outflow from investing activities		(2,133)	(5,464)

CONSOLIDATED CASH FLOW STATEMENT Year ended 31 December 2006

	<i>Notes</i>	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		23,889	14,416
Repayment of bank loans		(15,926)	(29,946)
Dividend paid		(2,227)	–
Advance of a loan from an ex-director		–	3,500
Repayment of a loan from an ex-director		–	(3,500)
Repurchase of shares		–	(786)
Net cash inflow/(outflow) from financing activities		5,736	(16,316)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		(7,476)	14,475
Effect of foreign exchange rate changes, net		34,057	19,462
		42	120
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		26,623	34,057
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	23	26,623	26,243
Time deposits with original maturity of less than three months when acquired	23	–	7,814
		26,623	34,057