

Consolidated Cash Flow Statement

For the year ended 31st December, 2006

Notes	2006 HK\$'000	2005 HK\$'000
Operating activities		
Profit before taxation	6,667	6,912
Adjustments for:		
Discount on acquisition of a subsidiary	–	(28)
Interest income	(579)	(686)
Imputed interest income on deposits placed with an insurer	(485)	–
Dividend income from listed investments	–	(144)
Depreciation of property, plant and equipment	6,937	6,082
Release of prepaid lease payment	249	238
Finance costs	1,348	750
Loss on disposal of property, plant and equipment	248	–
Gain on derecognition of available-for-sale investments	(83)	(250)
Reversal of revaluation decrease on leasehold land and buildings previously charged to the consolidated income statement	(320)	(895)
Allowance for doubtful debts	1,003	1,758
Allowance for obsolete inventories	–	546
Operating cash flows before movements in working capital	14,985	14,283
Decrease (increase) in inventories	4,199	(3,448)
Increase in debtors, deposits and prepayments	(12,005)	(18,957)
Increase in creditors and accruals	263	4,209
Effect of foreign exchange	(2,229)	–
Cash generated from (used in) operations	5,213	(3,913)
Income tax refunded	318	–
Income tax paid	(580)	(6)
Net cash generated from (used in) operating activities	4,951	(3,919)
Investing activities		
Interest received	579	686
Dividend income from listed investments	–	144
Proceeds on derecognition of available-for-sale investments	5,014	3,740
Purchases of property, plant and equipment	(10,620)	(12,040)
Purchases of available-for-sale investments	(2,910)	–
Advances of loan receivables	(7,400)	(7,957)
Repayments of loan receivables	6,105	9,712
Proceeds from disposal of property, plant and equipment	652	–
Acquisition of a subsidiary	–	382
Disposal of a subsidiary	–	7
Net cash used in investing activities	(8,580)	(5,326)

Consolidated Cash Flow Statement (Continued)

For the year ended 31st December, 2006

	2006 HK\$'000	2005 HK\$'000
Financing activities		
New bank loans raised	21,502	30,908
Repayments of bank loans	(14,474)	(31,073)
Repayments of obligations under a finance lease	(174)	(165)
Interest paid	(1,340)	(733)
Finance lease charges paid	(8)	(17)
Dividends paid	(1,274)	(1,629)
Net cash generated from (used in) financing activities	4,232	(2,709)
Net increase (decrease) in cash and cash equivalents	603	(11,954)
Cash and cash equivalents at beginning of the year	24,901	36,800
Effect of foreign exchange rate changes	200	55
Cash and cash equivalents at end of the year	25,704	24,901
Represented by:		
Bank balances and cash	25,704	25,086
Bank overdrafts	–	(185)
	25,704	24,901