

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
Cash flows from operating activities			
Profit/(Loss) before income tax		2,577	(364)
Adjustments for:			
Depreciation and amortisation of property, plant and equipment		6,654	6,199
Amortisation of prepaid land lease payments		147	152
Impairment loss on goodwill		–	261
Amortisation of intangible assets		190	–
Provision for slow moving inventories		804	3,131
Bad debts written-off		376	162
Write off of deposits received		(912)	–
Revaluation surplus on leasehold land and buildings		(312)	(147)
Write off of property, plant and equipment		1	29
Gain on disposal of property, plant and equipment		(9)	–
Share of loss of an associate		–	335
Share of (profit)/loss of a jointly controlled entity		(45)	869
Loss/(Gain) on disposal of subsidiaries	34(b)	327	(2,740)
Share-based compensation expenses			
– employee compensation expenses		4,614	–
– consultancy fee		205	–
Interest expenses		2,576	2,309
Interest income		(1,158)	(344)
Operating profit before working capital changes		16,035	9,852
Increase in inventories		(3,422)	(3,681)
Decrease/(Increase) in trade and bills receivables		3,268	(10,724)
(Increase)/Decrease in prepayment, deposits and other receivables		(247)	486
Increase in amount due from an associate		–	(1,362)
Increase in amount due from a jointly-controlled entity		(1,097)	–
Increase/(Decrease) in trust receipt loans		1,798	(1,193)
(Decrease)/Increase in trade and bills payables		(3,226)	3,679
Increase in other payables and accruals		159	166
Cash generated from/(used in) operations		13,268	(2,777)
Interest paid		(2,561)	(2,279)
Interest paid in finance lease payments		(15)	(30)
Income tax refunded		–	37
Income tax paid		(74)	(96)
<i>Net cash generated from/(used in) operating activities</i>		10,618	(5,145)

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
Cash flows from investing activities			
Payments to acquire property, plant and equipment		(1,184)	(10,911)
Proceeds from disposal of property, plant and equipment		34	–
Decrease in financial assets at fair value through profit and loss		–	20
Payments to acquire intangible assets		(2,614)	–
Capital contribution to a jointly controlled entity		(578)	–
Acquisition of a subsidiary, net of cash acquired	34(a)	–	529
Proceeds from disposal of subsidiaries, net of cash disposed of	34(b)	–	2,041
Decrease in amount due from a related company		5,232	2,900
Deposit paid for acquisition of a company	36	(15,000)	–
Interest received		1,158	344
<i>Net cash used in investing activities</i>		(12,952)	(5,077)
Cash flows from financing activities			
Proceeds from open offer of shares issued	30	38,742	–
Payment in relation to the cost of open offer of shares issued		(1,498)	–
New bank loans		26,522	28,368
Repayment of bank loans		(26,293)	(26,699)
Repayment of capital element of finance lease payables		(96)	(640)
Capital contribution from minority interests		1,260	–
<i>Net cash generated from financing activities</i>		38,637	1,029
Net increase/(decrease) in cash at banks and in hand		36,303	(9,193)
Cash at banks and in hand at 1 January		48,034	56,616
Effect of foreign exchange rate changes, on cash held		887	611
Cash at banks and in hand at 31 December		85,224	48,034