

Consolidated Cash Flow Statement

For the year ended 31st December, 2006

	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES		
Profit before taxation	42,008	57,189
Adjustments for:		
Allowance for trade and other receivables	92	416
Amortisation of prepaid lease payments	200	198
Depreciation of property, plant and equipment	9,451	7,010
Dividend income from listed investment held for trading	—	(51)
Gain on disposal of listed investment held for trading	—	(110)
Interest income	(2,125)	(1,396)
Interest paid	2	12
Loss on disposal of property, plant and equipment	775	178
Share of profits of associates	(17,451)	(11,591)
Operating cash flows before movements in working capital	32,952	51,855
(Increase) decrease in inventories	(5,096)	26,134
Decrease in trade and other receivables	21,967	15,809
Increase (decrease) in trade and other payables	373	(46,506)
Increase (decrease) in amount due to a related company	72	(67)
Cash generated from operations	50,268	47,225
Interest paid	(2)	(12)
Hong Kong Profits Tax paid	(4,814)	(3,644)
Payment for tax reserve certificates	(11,001)	—
PRC income tax paid	(932)	(1,717)
NET CASH FROM OPERATING ACTIVITIES	33,519	41,852
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(12,442)	(19,773)
Deposits for acquisition of property, plant and equipment	(1,294)	(2,458)
Proceeds from disposal of property, plant and equipment	1,909	1,019
Interest received	2,125	1,396
Repayment from an associate	740	500
Advance to an associate	—	(15,000)
Payment for prepaid lease payments	—	(720)
Proceeds from disposal of listed investment held for trading	—	6,776
Dividend received from an associate	—	2,250
Dividends received from listed investment held for trading	—	51
NET CASH USED IN INVESTING ACTIVITIES	(8,962)	(25,959)

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FINANCING ACTIVITY		
Dividends paid	(27,500)	(25,000)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,943)	(9,107)
CASH AND CASH EQUIVALENTS AT BEGINNING		
OF THE YEAR	49,712	58,654
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	443	165
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	47,212	49,712