

Consolidated Cash Flow Statement

For the year ended 31st December, 2006

	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES		
Profit before tax	39,663	14,465
Adjustments for:		
Impairment loss on trade receivables	557	321
Impairment loss on goodwill	321	1,760
Release of prepaid lease payments	76	77
Depreciation of property, plant and equipment	18,928	20,337
Dividend income from investments held-for-trading	(201)	(363)
Finance costs	1,464	2,115
Gain on disposals of investments held-for-trading	(8,800)	(2,808)
Reversal of impairment loss on investment in bonds	–	(500)
Written down of inventories	8,832	1,996
Interest income	(902)	(878)
Gain on disposals of property, plant and equipment and prepaid lease payments	–	(207)
Share-based payment expenses	1,323	1,497
Increase in fair value of investment properties	–	(4,040)
Decrease in fair value of investments held-for-trading	159	880
Decrease in fair value of derivatives financial instruments	3,456	663
Gain on disposal of investment property	(490)	–
Operating cash flows before movements in working capital	64,386	35,315
Decrease in inventories	10,483	3,939
(Increase) decrease in trade and other receivables	(21,069)	8,246
Decrease in amount due from a minority shareholder of a subsidiary	25	–
Decrease in trade and other payables	(18)	(3,119)
Cash generated from operations	53,807	44,381
Hong Kong Profits Tax refund (paid), net	150	(4,515)
NET CASH FROM OPERATING ACTIVITIES	53,957	39,866
INVESTING ACTIVITIES		
Purchase of investments held-for-trading	(291,888)	(114,906)
Acquisition of additional interest in subsidiaries	–	(17,083)
Purchase of property, plant and equipment	(7,398)	(15,369)
Proceeds on disposals of investments held-for-trading	297,058	118,519
Proceeds on disposal of investment property	8,830	–
(Increase) decrease in pledged bank deposits	(10,089)	12,540
Proceeds on disposal of property, plant and equipment and prepaid lease payments	–	2,259
Proceeds on redemption of bonds	629	2,110
Dividend received from investments held-for-trading	201	363
Interest received	902	878
Disposal of interest in subsidiaries	(54)	–
NET CASH USED IN INVESTING ACTIVITIES	(1,809)	(10,689)

Consolidated Cash Flow Statement

For the year ended 31st December, 2006

	2006 HK\$'000	2005 HK\$'000
FINANCING ACTIVITIES		
Interest paid	(1,464)	(2,115)
Repayment of bank borrowings	(6,500)	(16,695)
Dividends paid	(7,671)	(15,345)
Payment for repurchase of shares	(4,150)	(437)
Dividend paid to minority shareholders	(709)	(417)
Repayment of obligations under a finance lease	(135)	(195)
New bank borrowing raised	–	18,000
Proceeds from issue of new shares	–	2,979
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NET CASH USED IN FINANCING ACTIVITIES	(20,629)	(14,225)
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NET INCREASE IN CASH AND CASH EQUIVALENTS	31,519	14,952
CASH AND CASH EQUIVALENTS AT 1ST JANUARY	32,279	17,327
Effect of foreign exchange rate change	(22)	–
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CASH AND CASH EQUIVALENTS AT 31ST DECEMBER, representing Bank balances and cash	63,776	32,279
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