

# Consolidated Cash Flow Statement

Year ended 31 December

	Note	2006 HK\$'000	2005 HK\$'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	34	23,158	16,823
Interest paid		(9,504)	(3,315)
PRC income tax paid		(1,751)	(144)
Hong Kong profits tax paid		(2,328)	(4,702)
Net cash generated from operating activities		9,575	8,662
<b>Cash flows from investing activities</b>			
Acquisition of subsidiary, net of cash acquired		–	(15,483)
Increase in prepayment for non-current assets		(2,434)	(294)
Purchase of property, plant and equipment		(16,054)	(16,328)
Proceeds from sale of property, plant and equipment		24	771
Purchase of financial assets at fair value through profit or loss		(31,381)	(32,111)
Proceeds from sale of financial assets at fair value through profit or loss		31,668	40,045
Interest income from bank deposits		3,223	1,091
Interest income on other financial assets at fair value through profit or loss		1,318	473
Dividends received from other financial assets at fair value through profit or loss		14	60
Net cash used in investing activities		(13,622)	(21,776)
<b>Cash flows from financing activities</b>			
Capital element of finance lease payments		(3,434)	(663)
Dividends paid to Company's shareholders		(14,100)	(20,500)
Repayments of borrowings		(44,669)	(4,755)
Proceeds from borrowings		54,085	13,372
Decrease in pledged bank deposits		2,501	13,372
Increase in share issuance cost		–	(8,884)
Proceeds from issuance of shares		–	72,000
Net cash (used in)/generated from financing activities		(5,617)	63,942
<b>Net (decrease)/increase in cash, cash equivalents and bank overdrafts</b>			
Cash, cash equivalents and bank overdrafts at beginning of year		54,238	3,166
Effect of foreign exchange rate charges		285	244
<b>Cash, cash equivalents and bank overdrafts at end of the year</b>	27	<b>44,859</b>	<b>54,238</b>

The notes on pages 40 to 90 are an integral part of these financial statements.