

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2006

	<i>Note</i>	2006 <i>HK\$'000</i>	2005 <i>HK\$'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(11,980)	(27,223)
Adjustments for:			
Depreciation		5,033	4,963
Interest income		(83)	(15)
Impairment of available-for-sale financial assets		—	1,791
Impairment of interests in associates		—	12,266
Net gain on disposal and written off of property, plant and equipment		(112)	(336)
Finance costs		1,723	1,661
Share of losses of associates		—	1,911
Write off of other receivables		—	1,139
Loss on disposal of available-for-sale financial assets		2,110	—
Operating loss before working capital changes		(3,309)	(3,843)
Decrease/(increase) in inventories		5,633	(731)
Increase in trade debtors and bills receivables		(5,217)	(6,720)
Increase in other debtors, deposits and prepayments		(274)	(1,822)
Increase in net amounts due from associates		—	(605)
(Decrease)/increase in trade creditors		(2,435)	1,808
Increase in other creditors and accrued charges		2,415	14,050
(Decrease)/increase in amounts due to directors		(2,862)	4,804
Cash (used in)/generated from operations		(6,049)	6,941
Income taxes paid		—	—
Net cash (used in)/generated from operating activities		(6,049)	6,941
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment		(5,253)	(4,839)
Net proceeds from sale of property, plant and equipment		1,157	1,157
Proceeds from disposal of a subsidiary	32	2,000	—
Proceeds from disposal of available-for-sale financial assets		2,368	—
Increase in pledged bank deposits		(56)	(1,500)
Interest received		83	15
Net cash generated from/(used in) investing activities		299	(5,167)

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For the year ended 31 December 2006

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CASH FLOWS FROM FINANCING ACTIVITIES			
New borrowings		68,842	863
Repayment of borrowings		(74,454)	(472)
Proceeds from issue of shares	28	18,000	—
Interest paid		(2,234)	(1,027)
Net cash generated from/(used in) financing activities		10,154	(636)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		4,404	1,138
Effect of foreign exchange rate changes		(1,042)	(149)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		2,639	1,650
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		6,001	2,639
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank and cash balances		6,001	2,639