

Consolidated Cash Flow Statement

For the year ended 31 December 2006

Note	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(14,034)	38,717
Adjustments for:		
Equity compensation benefit	52	–
Finance costs	13,867	13,057
Share of results of associates	(20,265)	(8,271)
Gain on disposal of land use rights and buildings	(3,608)	–
Bank interest income	(1,094)	(371)
Deficit on revaluation of property, plant and equipment	182	542
Gain/(loss) on disposal of property, plant and equipment	(1,035)	6
Depreciation	11,245	11,355
Amortisation of land use rights	246	493
Provision for impairment of property, plant and equipment	4,988	–
Provision for impairment on investment in an associate	162	–
Impairment of trade receivables and other receivables	352	1,571
Impairment of inventories	5,788	1,942
Exchange differences	–	(2,673)
Waiver of debt and accrued interest under a Loan Restructuring Agreement	–	(67,662)
Operating loss before working capital changes	(3,154)	(11,294)
Decrease/(increase) in trade receivables	13,664	(1,378)
Decrease in bills receivable	236	260
Increase in prepayments, deposits and other receivables	(8,933)	(1,052)
Increase in inventories	(26,115)	(1,552)
Increase/(decrease) in net amounts due to associates	543	(2,967)
Increase in amount due to a related company	437	11,023
Increase/(decrease) in trade payables	7,980	(4,471)
Increase in accruals and other payables	772	4,984
Decrease in provision for long service payments	(61)	(203)
CASH USED IN OPERATIONS	(14,631)	(6,650)
Overseas tax paid	(476)	–
NET CASH USED IN OPERATING ACTIVITIES	(15,107)	(6,650)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,094	371
Dividends received from associates	8,000	4,000
Acquisition of additional investment in a subsidiary	(9,000)	–
Purchase of property, plant and equipment	(7,621)	(5,554)
Proceeds from disposal of property, plant and equipment	1,055	–
Proceeds from disposal of land use rights and buildings	28,000	–
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	21,528	(1,183)

Consolidated Cash Flow Statement

For the year ended 31 December 2006

	2006 HK\$'000	2005 HK\$'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	6,421	(7,833)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	30,974	38,807
CASH AND CASH EQUIVALENTS AT END OF YEAR	37,395	30,974
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	7,404	17,882
Fixed deposits with original maturity of less than three months when acquired	29,991	13,092
	37,395	30,974

The notes on pages 40 to 84 form an integral part of these financial statements.