

Consolidated Cash Flow Statement

For the year ended 31st December, 2006

	2006 HK\$'000	2005 HK\$'000
Operating activities		
Profit before taxation	57,708	53,470
Adjustments for:		
Finance costs	2,487	2,014
Shares issue expenses	-	5,570
Share-based payment expense	106	1,919
Share of result of an associate	-	2,900
Impairment loss on goodwill	-	70
Depreciation	16,018	13,374
Allowance for bad and doubtful debts	105	-
Interest income	(1,664)	(935)
Loss on disposal of property, plant and equipment	401	218
Loss on disposal of investment properties	-	74
Loss on disposal of an associate	3,944	-
Operating cash flows before movements in working capital	79,105	78,674
Decrease (increase) in inventories	38,129	(128,319)
Increase in trade debtors, deposits and prepayments	(24,408)	(198,929)
Decrease in amounts due from related companies	-	4
(Decrease) increase in trade creditors and accrued charges	(16,462)	235,140
Increase (decrease) in bills payable	7,098	(6,594)
(Decrease) increase in amount due to a related company	(1,712)	16,179
Decrease in amount due to a joint venture partner	-	(2,331)
Cash generated from (used in) operations	81,750	(6,176)
Hong Kong Profits Tax paid	(9,178)	(4,615)
Overseas tax refunded	-	398
Net cash from (used in) operating activities	72,572	(10,393)
Investing activities		
Purchases of property, plant and equipment	(17,120)	(19,552)
Proceeds on disposal of property, plant and equipment	2	8
Proceeds on disposal of investment properties	-	4,126
Proceeds on disposal of an associate	1,930	-
Decrease (increase) in pledged bank deposits	5,425	(7,824)
Interest received	1,664	935
Net cash used in investing activities	(8,099)	(22,307)

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	2006 <i>HK\$'000</i>	2005 <i>HK\$'000</i>
Financing activities		
Repayment of obligations under finance leases	(1,343)	(2,532)
Proceeds on issue of shares	34	83,400
Shares issue expenses	-	(13,725)
New bank borrowings raised	39,000	24,298
Repayment of bank borrowings	(41,510)	(9,546)
Dividends paid	(13,045)	(24,500)
Dividends paid to minority interests	-	(972)
Interest paid	(2,487)	(2,014)
Net cash (used in) from financing activities	(19,351)	54,409
Net increase in cash and cash equivalents	45,122	21,709
Effect of foreign exchange rate changes	155	(72)
Cash and cash equivalents at beginning of the year	71,736	50,099
Cash and cash equivalents at end of the year, representing bank balances and cash	117,013	71,736