

# Consolidated Cash Flow Statement

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>25,420</b>	4,870
Adjustments for:			
Finance costs	6	<b>5,726</b>	3,734
Interest income	5	<b>(752)</b>	(708)
Depreciation	6, 12	<b>11,789</b>	9,907
Provision for inventories	6	<b>2,576</b>	6,460
Recognition of prepaid land lease payments	6, 14	<b>79</b>	93
Deficit on revaluation of buildings	6, 12	<b>93</b>	80
Write-off of items of property, plant and equipment	6, 12	<b>31</b>	581
Gain on disposal of items of property, plant and equipment	6	<b>(393)</b>	(617)
Impairment of trade receivables	6	<b>184</b>	645
Changes in fair value of investment property	6, 13	<b>95</b>	—
Equity-settled share option expense	29	<b>110</b>	—
Gain on disposal of subsidiaries	31	<b>(14,119)</b>	—
Reversal of impairment of an amount due from an associate		<b>—</b>	(6,141)
		<b>30,839</b>	18,904
(Increase)/decrease in inventories		<b>(89,563)</b>	15,807
Decrease/(increase) in receivables, prepayments and deposits		<b>11,186</b>	(35,296)
Increase in frozen bank balances		<b>—</b>	(127)
Increase/(decrease) in trade and bills payables		<b>24,197</b>	(13,487)
Increase/(decrease) in other payables and accruals		<b>4,343</b>	(315)
		<b>(18,998)</b>	(14,514)
Cash used in operations		<b>752</b>	708
Interest received		<b>(5,726)</b>	(3,734)
Interest paid		<b>(3,606)</b>	—
Tax paid		<b>(27,578)</b>	(17,540)
Net cash outflow from operating activities		<b>(27,578)</b>	(17,540)

# Consolidated Cash Flow Statement (Continued)

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Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	12	(6,525)	(987)
Proceeds from disposal of items of property, plant and equipment		3,372	3,776
Proceeds from disposal of subsidiaries	31	1,928	—
Repayment of a loan to an officer		873	50
(Increase)/decrease in pledged bank balances		(7,653)	1,333
Net cash (outflow)/inflow from investing activities		(8,005)	4,172
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loan		15,131	—
Repayment from an associate		3,117	1,846
Repayment of loans from the immediate holding company		—	(17,087)
Net cash inflow/(outflow) from financing activities		18,248	(15,241)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(17,335)	(28,609)
Cash and cash equivalents at beginning of year		55,914	83,246
Effect of foreign exchange rate changes, net		2,957	1,277
CASH AND CASH EQUIVALENTS AT END OF YEAR		41,536	55,914
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	20	41,536	55,914