

Consolidated Cash Flow Statement

For the year ended 31 December 2006

	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES		
Profit before tax	18,895	18,075
Adjustments for:		
Interest expenses	12,242	11,021
Interest income	(1,310)	(1,174)
Depreciation	8,714	8,356
Amortisation of prepaid lease payments	153	164
(Gain) loss on disposal on property, plant and equipment	(74)	155
Operating cash flows before movements in working capital	38,620	36,597
Increase in inventories	(10,040)	(1,699)
Increase in trade and other receivables	(1,201)	(35,879)
Decrease in trade and other payables	(537)	(3,963)
Cash generated from (used in) operations	26,842	(4,944)
Interest paid	(12,242)	(11,021)
Hong Kong Profits Tax paid, net	(1,340)	(3,576)
PRC Enterprise Income Tax paid	(3,472)	(3,493)
NET CASH GENERATED FROM (USED IN)		
OPERATING ACTIVITIES	9,788	(23,034)
INVESTING ACTIVITIES		
(Increase) decrease in pledged bank deposits	(4,654)	9,755
Purchase of property, plant and equipment	(10,569)	(640)
Decrease in loan receivable	–	599
Interest received	1,310	1,174
Proceeds from disposal of property, plant and equipment	215	230
NET CASH (USED IN) GENERATED FROM		
INVESTING ACTIVITIES	(13,698)	11,118



	2006	2005
	HK\$'000	HK\$'000
FINANCING ACTIVITIES		
Borrowings raised	130,978	138,236
Repayment of bank borrowings	(146,026)	(138,497)
Capital element of finance leases	1,067	(1,337)
Proceeds from issue of ordinary shares, net of expenses	30,656	–
<hr/>		
NET CASH GENERATED FROM (USED IN)		
FINANCING ACTIVITIES	16,675	(1,598)
<hr/>		
NET INCREASE (DECREASE) IN CASH		
AND CASH EQUIVALENTS	12,765	(13,514)
Effect of foreign exchange rate change	(2,397)	(791)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	10,416	24,721
<hr/>		
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	20,784	10,416
<hr/>		
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	36,366	15,072
Bank overdrafts	(15,582)	(4,656)
<hr/>		
	20,784	10,416
<hr/>		

