

# Consolidated Cash Flow Statement

For the year ended 31st December, 2006

	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES		
Profit before taxation	21,912	15,807
Adjustments for:		
Share of results of associates	(9,016)	(8,281)
Interest income, other than interest income from money lending	(1,711)	(349)
Finance costs	853	1,356
Dividend income	(239)	(31)
Depreciation	6,014	5,727
Release of prepaid lease payments	244	244
Allowance for slow moving inventories	924	3,080
Allowance for bad and doubtful debts	2,185	835
Gain on disposal of property, plant and equipment	(7)	(125)
Write-off of intangible assets	—	77
Gain on disposal of properties held for sale	—	(8)
Net change in fair value of investments held for trading	(9,169)	1,899
Loss on liquidation of a subsidiary	—	39
Gain on deemed acquisition of a subsidiary	—	(552)
Gain on disposal of available-for-sale investments	—	(902)
Gain on disposal of an associate	—	(500)
Loss on deemed disposal of an associate	313	—
Impairment loss recognised in respect of investment in an associate	696	—
Increase in warranty provision	18,715	8,948
Operating cash flows before movements in working capital	31,714	27,264
Decrease (increase) in investments held for trading	7,446	(7,480)
(Increase) decrease in inventories	(11,798)	2,313
(Increase) decrease in amounts due from customers for contract work	(7,161)	5,330
Increase in loans receivable	(811)	(1,926)
Increase in debtors, deposits and prepayments	(78,285)	(34,706)
Increase (decrease) in creditors, bills payable and accrued charges	79,763	(2,682)
Decrease in warranty provision	(6,817)	(5,828)
(Decrease) increase in amounts due to customers for contract work	(2,888)	1,595
Decrease in retirement benefits obligations	(181)	(409)
Cash generated from (used in) operations	10,982	(16,529)
Hong Kong and overseas profits tax paid	(4,507)	(1,601)
Hong Kong and overseas profits tax refunded	30	228
NET CASH FROM (USED IN) OPERATING ACTIVITIES	6,505	(17,902)

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INVESTING ACTIVITIES		
Proceeds on disposal of an associate	—	329
Proceeds on disposal of available-for-sales investments	—	46
Proceeds on disposal of properties held for sale	—	6,108
Increase in pledged bank deposits	(1,000)	(62)
Proceeds on disposal of property, plant and equipment	178	237
Dividend received from associates	930	—
Dividend received from listed and unlisted investments	239	31
Interest received, other than interest from money lending	1,711	349
Purchase of property, plant and equipment	(7,950)	(3,954)
(Advance to) repayment from associates	(2,623)	1,356
Investment in an associate	—	(2,254)
Acquisition of additional equity investment in a subsidiary	(2)	—
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(8,517)	2,186
FINANCING ACTIVITIES		
New borrowings raised, other than bank overdrafts	22,802	23,755
Repayment of borrowings	(28,289)	(15,695)
Increase in trust receipt loans	14,604	3,129
Interest paid	(853)	(1,356)
Repayment to associates	(153)	(301)
Repayment of obligations under finance leases	(207)	(227)
Dividend paid to minority shareholders	(612)	—
NET CASH FROM FINANCING ACTIVITIES	7,292	9,305
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,280	(6,411)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	512	(323)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	57,352	64,086
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	63,144	57,352
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	63,144	58,182
Bank overdrafts	—	(830)
	63,144	57,352