Consolidated Cash Flow Statement











Year ended 31 December 2006

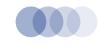
		2004	2005
		2006	2005
	Notes	HK\$'000	HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		53,684	60.318
Adjustments for:		33,004	60,316
Bank interest income	5	(1.011)	(712)
		(1,811)	(713)
Finance costs	7	9,455	2,979
Depreciation	6	4,830	2,863
Amortisation of patents and licences	6	7,242	3,408
Amortisation of product development costs	6	3,234	1,771
Recognition of prepaid land lease payments	15	255	_
Loss on disposal of items of property, plant and equipment	6	943	85
Provision for trade receivables	6	2,337	_
Write-back of provision for trade receivables	6	_	(2,027
Equity-settled share option expense	6	4,736	3,741
		84,905	72,425
Increase in inventories		(183,707)	(36,040)
Increase in trade receivables		(60,532)	(3,710
Increase in prepayments, deposits and other receivables		(115,472)	(96,775
Decrease in an amount due from a related company			258
(Increase)/decrease in amounts due from Directors		(390)	893
Increase in trade payables		33,826	11,141
Increase/(decrease) in bills payable		(5,397)	78,168
Increase in other payables and accruals		84,461	36,726
Increase in an amount due to a related company		4	106
Increase/(decrease) in amounts due to Directors		(147)	64
increase/(decrease) in amounts due to Directors		(117)	
Cash generated from/(used in) operations		(162,449)	63,256
Tax paid		(6,360)	03,230
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Net cash inflow/(outflow) from operating activities		(168,809)	63,256
Tite cash illion (outlow) north operating activities		(100,007)	05,250

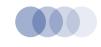


Consolidated Cash Flow Statement











Year ended 31 December 2006

		2007	2005
	Notes	2006 HK\$'000	2005 HK\$'000
	INOLES	HK\$ 000	UV\$ 000
CASH FLOWS FROM INVESTING ACTIVITIES			
Bank interest received	5	1,811	713
Purchases of property, plant and equipment	14	(93,830)	(3,614)
Additions to product development costs	16		(5,616)
Additions to patents and licences	16	(6,489)	(17,543)
Additions to prepaid land lease payments	15	(12,130)	_
Increase/(decrease) in pledged time deposits		4,264	(19,187)
Net cash outflow from investing activities		(106,374)	(45,247)
CASH FLOWS FROM FINANCING ACTIVITIES	20	F./ 2/0	10 200
Proceeds from issue of ordinary shares	29	56,268	48,300
Share issue expenses	31	(2,768)	(1,334)
New bank loans		376,328	148,006
Repayment of bank loans		(172,191)	(173,955)
Interest paid		(9,455)	(2,979)
Dividends paid		(14,946)	(12,000)
Net cash inflow from financing activities		233,236	6.038
			.,,,,,,,
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(41,947)	24,047
Cash and cash equivalents at beginning of year		109,606	80,352
Effect of foreign exchange rate changes, net		15,780	5,207
CASH AND CASH EQUIVALENTS AT END OF YEAR	* 23	83,439	109,606
	*		
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	*		
Cash and bank balances	23	83,439	99,995
Non-pledged time deposits with original maturity of less than half a year	+	_	9,611
	*		100 (5)
	1	83,439	109,606

