

# Consolidated Cash Flow Statement

For the year ended 31 December 2006

	2006 HK\$'000	2005 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	<b>297,762</b>	186,974
Adjustments for:		
Share of profit of associates	<b>(69,608)</b>	(76,018)
Finance costs	<b>14,842</b>	11,631
Allowance for receivables	<b>2,404</b>	–
Bad debts written off	<b>3,645</b>	–
Depreciation	<b>48,450</b>	18,889
Loss/(gain) on disposals of property, plant and equipment	<b>1,598</b>	(414)
Interest income	<b>(4,909)</b>	(434)
Amortisation of leasehold land payments	<b>285</b>	82
Unrealised (profit)/loss on closing inventories sold to associates, net	<b>(763)</b>	197
Operating profit before working capital changes	<b>293,706</b>	140,907
(Increase)/decrease in inventories	<b>(40,906)</b>	3,487
Decrease/(increase) in trade and other receivables	<b>127,841</b>	(1,074)
Decrease/(increase) in due from an associate	<b>14,227</b>	(14,227)
Decrease/(increase) in prepayments and deposits	<b>22,281</b>	(14,367)
Decrease in trade and other payables	<b>(33,605)</b>	(29,514)
Increase in bills payables	<b>47,525</b>	14,106
Cash generated from operations	<b>431,069</b>	99,318
Interest paid	<b>(12,350)</b>	(10,028)
Finance lease charges paid	<b>(2,492)</b>	(1,603)
Income taxes paid	<b>(38,090)</b>	(5,959)
Net cash generated from operating activities	<b>378,137</b>	81,728
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease/(Increase) in pledged bank deposits	<b>2,473</b>	(12,955)
Purchases of property, plant and equipment and leasehold land payments	<b>(40,184)</b>	(45,776)
Dividends received from associates	<b>74,499</b>	30,494
Proceeds from disposals of property, plant and equipment and leasehold land payments	<b>27,053</b>	8,941
Interest received	<b>4,909</b>	434
Acquisition of an associate	<b>–</b>	(80,203)
Acquisition of subsidiaries	<b>(330,115)</b>	–
Net cash used in investing activities	<b>(261,365)</b>	(99,065)

	2006 HK\$'000	2005 HK\$'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	<b>310,014</b>	118,125
Share issue expenses paid	<b>(5,644)</b>	(7,221)
Short term borrowings repaid	<b>(220,679)</b>	(283,155)
Short term borrowing raised	<b>133,003</b>	247,699
Payment of finance lease payables	<b>(14,428)</b>	(9,605)
Dividends paid to equity holders of the Company	<b>(60,679)</b>	(87,960)
Dividends paid to minority interests	<b>(34,608)</b>	—
Net cash generated from/(used in) financing activities	<b>106,979</b>	(22,117)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>223,751</b>	(39,454)
Effect of foreign exchange rate changes	<b>19,558</b>	343
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>93,654</b>	132,765
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>336,963</b>	93,654
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Bank and cash balances	<b>336,963</b>	93,654