

# Consolidated Cash Flow Statement

For the year ended 31st December, 2006

	Note	2006 HK\$'000	2005 HK\$'000
<b>OPERATING ACTIVITIES</b>			
Profit before taxation		<b>182,089</b>	286,102
Adjustments for:			
Interest income		<b>(2,741)</b>	(4,524)
Interest expenses and finance charges		<b>30,491</b>	19,158
Share-based payment expense		<b>1,035</b>	–
Depreciation and amortisation of property, plant and equipment		<b>144,495</b>	119,916
(Reversal of) impairment loss recognised in respect of trade receivables		<b>(200)</b>	4,627
Impairment loss recognised in respect of goodwill		–	9,060
Impairment loss recognised in respect of patents and trademarks		–	1,056
Increase in fair value of investment properties		<b>(6,900)</b>	(7,700)
Release of prepaid lease payments		<b>983</b>	904
Gain on disposal of an investment property		<b>(2,200)</b>	–
Gain on disposal of property, plant and equipment		<b>(59)</b>	(637)
Loss on disposal of subsidiaries		<b>445</b>	–
Exchange differences		<b>17,203</b>	8,206
Operating cash flows before movements in working capital		<b>364,641</b>	436,168
Increase in inventories		<b>(85,796)</b>	(59,123)
Increase in trade and other receivables		<b>(79,538)</b>	(42,713)
Decrease (increase) in bills receivable		<b>5,807</b>	(7,187)
(Decrease) increase in trade and other payables		<b>(5,623)</b>	63,839
Decrease in bills payable		<b>(5,101)</b>	(11,116)
Cash generated from operations		<b>194,390</b>	379,868
Income tax paid		<b>(36,231)</b>	(55,891)
Income tax refunded		–	10
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>158,159</b>	323,987
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		<b>(270,032)</b>	(303,905)
Increase in prepaid lease payment		<b>(4,438)</b>	–
Disposal of subsidiaries	29	<b>(1,799)</b>	–
Interest received		<b>2,741</b>	4,524
Proceeds on disposal of an investment property		<b>6,000</b>	–
Proceeds on disposal of property, plant and equipment		<b>4,939</b>	2,465
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(262,589)</b>	(296,916)

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For the year ended 31st December, 2006

	2006 HK\$'000	2005 HK\$'000
<b>FINANCING ACTIVITIES</b>		
New bank borrowings raised	440,470	74,770
Proceeds from new shares issued	1,083	2,871
Capital contributed by minority shareholder of a subsidiary	300	–
Repayment of floating rate notes	(150,000)	–
Dividends paid	(96,069)	(117,714)
Repayment of bank borrowings	(49,812)	(243,153)
Interest expenses and finance charges paid	(30,491)	(19,158)
Dividends paid to a minority shareholder of a subsidiary	(12,000)	(2,000)
Repayment of trust receipt loans	–	(14,730)
Repayment of obligations under finance leases	–	(2)
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>	<b>103,481</b>	<b>(319,116)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(949)</b>	<b>(292,045)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>148,785</b>	<b>441,672</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>2,102</b>	<b>(842)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>149,938</b>	<b>148,785</b>
Represented by:		
Bank balances and cash	149,938	150,582
Bank overdraft	–	(1,797)
	<b>149,938</b>	<b>148,785</b>