

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2006

	2006 HK\$'000	2005 HK\$'000 (Note 1)
OPERATING ACTIVITIES		
Profit before tax	90,789	63,589
Adjustments for:		
Allowance on loan to a jointly controlled entity	–	676
Depreciation of property, plant and equipment	10,239	6,178
Amortisation of prepaid lease payments	623	601
Share-based payment expense	1,889	–
Share issuance expense charged to consolidated income statement	9,772	–
Finance costs	23,256	12,423
Interest income	(3,477)	(633)
Loss on disposal of property, plant and equipment	696	19
Operating cash flows before movements in working capital	133,787	82,853
Increase in inventories	(36,892)	(41,025)
Increase in trade receivables	(93,614)	(33,154)
Increase in deposits, prepayments and other receivables	(10,180)	(33,196)
Decrease (increase) in amount due from a minority shareholder	9,284	(9,644)
Increase in trade payables	14,876	29,061
Decrease in bills payable	–	(2,525)
(Decrease) increase in other payables and accruals	(5,738)	7,241
Increase in amounts due to shareholders of jointly controlled entities	5,225	1,457
(Decrease) increase in amount due to a jointly controlled entity	(2,622)	3,510
Cash from operations	14,126	4,578
Hong Kong Profit Tax (paid) refund	(4,065)	2,470
Tax paid for other jurisdictions	(2,659)	(2,736)
NET CASH FROM OPERATING ACTIVITIES	7,402	4,312

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INVESTING ACTIVITIES		
Increase in bank deposits with original maturity of more than three months	<b>(150,000)</b>	–
Purchase of property, plant and equipment	<b>(61,504)</b>	(75,255)
Increase in prepaid lease payments	<b>(30,536)</b>	(9,780)
Increase in pledged bank deposits	<b>(24,894)</b>	(7,320)
Loans to jointly controlled entities	<b>(9,190)</b>	(2,250)
Increase in amounts due from jointly controlled entities	<b>(6,112)</b>	–
Purchase of available-for-sale investments	<b>(2,496)</b>	(3,000)
Decrease in amounts due from related companies	<b>21,845</b>	15,346
Interest received	<b>3,477</b>	633
Proceeds on disposal of property, plant and equipment	<b>1,091</b>	637
NET CASH USED IN INVESTING ACTIVITIES	<b>(258,319)</b>	(80,989)

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FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 HK\$'000	2005 HK\$'000 (Note 1)
<b>FINANCING ACTIVITIES</b>			
New bank borrowings raised		<b>1,228,242</b>	267,809
Gross proceeds from issue of shares		<b>124,400</b>	31,039
Loans from shareholders of jointly controlled entities		<b>9,191</b>	2,250
Repayment of bank borrowings		<b>(1,074,925)</b>	(167,741)
Interest paid		<b>(23,256)</b>	(12,423)
Interim dividend paid		<b>(7,586)</b>	–
Share issuance expenses		<b>(18,388)</b>	–
Repayment of obligations under finance leases		<b>(1,490)</b>	(434)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>236,188</b>	120,500
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(14,729)</b>	43,823
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>		<b>2,874</b>	1,450
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>42,761</b>	(2,512)
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		<b>30,906</b>	42,761
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Bank balances and cash		<b>30,982</b>	52,049
Bank overdrafts		<b>(76)</b>	(9,288)
		<b>30,906</b>	42,761