

CONSOLIDATED CASH FLOW STATEMENT

(For the year ended December 31, 2006)

	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES		
Profit before tax	308,939	240,706
Adjustments for:		
Finance costs	43,177	13,191
Interest income	(18,489)	(2,576)
Share of results of an associate	(8,893)	(2,054)
Share of results of jointly controlled entities	(46,740)	(32,253)
Depreciation and amortisation	34,525	32,261
(Reversal of) allowance for doubtful debts	(870)	2,159
Allowance for inventories	1,654	985
Loss on fair value change on financial instruments	2,527	–
Gain on fair value change of derivative components of convertible loan notes	(11,001)	–
Loss (gain) on disposal of property, plant and equipment	1,044	(67)
Gain on disposal of prepaid lease payments	–	(10,741)
Loss on disposal of a subsidiary	–	1,658
Increase in warranty provision	13,200	12,239
Operating cash flows before movements in working capital	319,073	255,508
(Increase) decrease in inventories	(396,781)	24,481
Increase in trade and other receivables	(179,768)	(35,688)
Decrease (increase) in amount due from a jointly controlled entity	6,335	(8,703)
Increase (decrease) in trade and other payables	101,155	(24,780)
Increase (decrease) in amount due to a jointly controlled entity	1,701	(2,420)
Utilisation of warranty provision	(12,235)	(11,005)
Cash (used in) generated from operations	(160,520)	197,393
Hong Kong profits tax paid	(20,036)	(27,213)
Overseas income tax paid	(6,642)	(12,175)
Hong Kong profits tax refunded	1	–
Overseas income tax refunded	–	8,489
NET CASH (USED IN) GENERATED FROM OPERATING ACTIVITIES	(187,197)	166,494

CONSOLIDATED CASH FLOW STATEMENT

(For the year ended December 31, 2006)

	NOTE	2006 HK\$'000	2005 HK\$'000
INVESTING ACTIVITIES			
Increase in structured deposits		(130,200)	–
Purchases of property, plant and equipment		(53,652)	(23,800)
Deposits paid for acquisition of property, plant and equipment		(9,958)	–
Investment in jointly controlled entities		(1,579)	–
Dividends received from jointly controlled entities		37,500	22,500
Interest received		18,489	2,576
Dividend received from an associate		1,084	–
Proceeds from disposal of property, plant and equipment		287	762
Proceeds from disposal of prepaid lease payments		–	23,371
Proceeds from disposal of a subsidiary	32	–	1,818
Purchases of prepaid lease payments		–	(394)
NET CASH (USED IN) GENERATED FROM INVESTING ACTIVITIES		(138,029)	26,833
FINANCING ACTIVITIES			
Proceed on issue of convertible loan notes		800,000	–
New bank loan raised		59,558	200,000
Dividends paid		(128,691)	(140,094)
Repayment of bank loans		(96,515)	(70,000)
Issue cost of convertible loan notes		(26,460)	–
Interest paid on bank loans		(12,178)	(11,930)
Repurchase of shares		(9,539)	–
Factoring charges		(693)	(1,232)
Net decrease in trust receipt loans		–	(110,851)
Repayment of obligations under finance leases		–	(1,518)
Interest paid on finance leases		–	(29)
Other borrowings raised		5,055	3,978
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES		590,537	(131,676)
NET INCREASE IN CASH AND CASH EQUIVALENTS		265,311	61,651
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		312,704	254,176
Effect of foreign exchange rate changes		2,449	(3,123)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, representing bank balances, deposits and cash		580,464	312,704