

Consolidated Cash Flow Statement

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		147,786	85,779
Adjustments for:			
Interest income	5	(4,374)	(6,125)
Finance costs	7	15,918	21,480
Depreciation	6	34,138	29,565
Recognition of prepaid land lease payments	6	305	292
Amortisation of intangible assets	6	3,702	2,595
Loss on disposal of items of property, plant and equipment	6	48	670
Equity-settled share option expenses		14,530	16,896
		212,053	151,152
Increase in inventories		(44,841)	(56,298)
Increase in trade receivables		(222,136)	(123,114)
Decrease in notes receivable		11,807	3,733
Decrease/(increase) in prepayments, deposits and other receivables		15,425	(26,355)
Increase in trade and bills payables		134,047	64,344
Increase in other payables and accruals		23,720	34,898
Increase in provision for product warranties		4,186	6,866
Increase in restricted bank deposits		(2,109)	–
Decrease/(increase) in factored trade receivables		115,296	(115,296)
Increase/(decrease) in bank advances on factored trade receivables		(115,296)	115,296
		132,152	55,226
Cash generated from operations		132,152	55,226
PRC profits tax paid		(27,555)	(10,030)
Overseas taxes paid		(310)	–
		104,287	45,196
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		4,374	6,125
Purchases of items of property, plant and equipment	13	(93,773)	(64,667)
Acquisition of intangible assets	17	(410)	(6,952)
Proceeds from disposal of items of property, plant and equipment		1,273	2,719
Decrease in short term time deposits and pledged time deposits	24	178,296	89,237
		89,760	26,462
Net cash inflow from investing activities		89,760	26,462

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Net cash inflow from investing activities		89,760	26,462
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	30	16,655	653
New bank loans		124,589	367,645
Repayment of bank loans		(167,771)	(334,704)
Capital element of finance lease rental payments		(180)	(180)
Interest paid		(15,904)	(21,460)
Interest element on finance lease rental payments		(14)	(20)
Dividends paid		(25,059)	(41,651)
Net cash outflow from financing activities		(67,684)	(29,717)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		314,118	248,766
Effect of foreign exchange rate changes, net		52,256	23,411
CASH AND CASH EQUIVALENTS AT END OF YEAR			
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	24	491,055	312,501
Non-pledged time deposits with original maturity of less than three months when acquired	24	1,682	1,617
		492,737	314,118