

# Consolidated Cash Flow Statement

For the year ended 31 December 2006

	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES		
Profit before taxation	104,174	76,614
Adjustments for:		
Allowance for (write back) inventory obsolescence	6,667	(866)
Allowance for bad and doubtful debts	3,850	2,674
Amortisation of prepaid lease payments	2,206	1,327
Finance costs	30,159	26,041
Share of profit of jointly controlled entities	(1,176)	(1,153)
Interest income	(4,428)	(3,155)
Increase in fair value of investment properties	(4,000)	(22,400)
Depreciation of property, plant and equipment	59,651	58,367
Loss (gain) on disposal of property, plant and equipment	795	(2,628)
Gain on disposal of available-for-sale investments	-	(642)
Amortisation of trademarks	1,187	692
Impairment loss recognised in respect of property, plant and equipment	1,000	747
Proceeds on disposal of derivatives financial instruments	-	1,071
Operating cash flows before movements in working capital	200,085	136,689
Increase in inventories	(73,344)	(3,399)
Increase in trade receivables	(61,646)	(24,256)
Decrease (increase) in bills receivable	5,201	(24,507)
(Increase) decrease in deposits, prepayments and other receivables	(27,601)	24,643
Decrease in amounts due from jointly controlled entities	-	2,277
Increase (decrease) in trade payables	77,456	(43,818)
(Decrease) increase in bills payable	(1,986)	372
Increase in other payables and accruals	78,427	12,019
Increase in amounts due to jointly controlled entities	4,692	2,786
Decrease in amount due to an associate	(2)	(3)
Provision for long service payments utilised	(709)	(570)
Cash generated from operations	200,573	82,233
Hong Kong Profits Tax paid	(15,582)	-
Overseas taxes paid	(9,935)	(1,507)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>175,056</b>	<b>80,726</b>

# Consolidated Cash Flow Statement

For the year ended 31 December 2006

	Note	2006 HK\$'000	2005 HK\$'000
<b>INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment		<b>(153,405)</b>	(76,986)
Prepaid lease payments		<b>(30,518)</b>	(2,019)
Acquisition of business	38	<b>(15,954)</b>	–
Acquisition of assets		<b>(13,414)</b>	–
Interest received		<b>4,428</b>	3,155
Proceeds on disposal of property, plant and equipment and land use right		<b>4,310</b>	10,292
Decrease in pledged bank deposit		<b>59</b>	5,395
Proceeds on disposal of available-for-sale investments		–	13,760
Decrease in certificate of deposits		–	10,000
Capital contribution to a jointly-controlled entity		–	(2,791)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(204,494)</b>	(39,194)
<b>FINANCING ACTIVITIES</b>			
New bank loans raised		<b>554,673</b>	130,000
Exercise of share options		<b>566</b>	1,920
Increase (decrease) in trust receipt loans		<b>181</b>	(2,528)
Repayment of bank borrowings		<b>(461,870)</b>	(210,110)
Dividends paid		<b>(26,736)</b>	(26,653)
Interest paid		<b>(22,092)</b>	(17,173)
Bank charges paid		<b>(4,791)</b>	(5,853)
Factoring expenses paid		<b>(3,239)</b>	(2,982)
Repayments of obligations under finance leases		<b>(350)</b>	(12)
Payment for repurchase of shares		<b>(160)</b>	–
Interest paid on obligations under finance leases		<b>(37)</b>	(33)
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>		<b>36,145</b>	(133,424)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>6,707</b>	(91,892)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>204,033</b>	295,858
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES, NET</b>		<b>7,335</b>	67
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		<b>218,075</b>	204,033
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Bank balances and cash		<b>219,126</b>	205,426
Bank overdrafts		<b>(1,051)</b>	(1,393)
		<b>218,075</b>	204,033