

Consolidated Cash Flow Statement

For the Year Ended 31 December 2006

	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES		
Profit before taxation	83,283	68,218
Adjustments for:		
Depreciation	40,092	38,794
Amortisation of prepaid lease payments	432	421
Increase in fair value of investment properties	(2,810)	(2,695)
Surplus on revaluation of leasehold land and buildings, net	(140)	(337)
Loss on disposal of property, plant and equipment	167	299
Gain on disposal of property held for sale	(339)	–
Interest income	(2,018)	(275)
Allowance for inventories	267	–
Allowance for (recovery of) bad and doubtful debts	1,824	(1,939)
Finance costs	18,904	14,468
Share of result of a jointly controlled entity	(10,245)	(9,133)
Share of result of an associate	(9,952)	(4,781)
Dilution loss on share reform of an associate	6,858	–
Foreign exchange gains	–	(3,058)
Operating cash flows before movements in working capital	126,323	99,982
(Increase) decrease in inventories	(1,962)	145
Increase in trade and bills receivables	(148,230)	(36,177)
(Increase) decrease in prepayments, deposits and other receivables	(3,923)	2,345
(Increase) decrease in derivative financial instruments	(340)	46
(Increase) decrease in amount due from a related company	(2,798)	621
Increase (decrease) in trade payables	523	(101)
(Decrease) increase in other payables and accruals	(1,479)	3,589
Cash (used in) generated from operations	(31,886)	70,450
Interest received	2,018	275
Interest paid	(17,849)	(13,682)
Interest paid on finance lease payments	–	(6)
PRC taxes paid	(7,847)	(5,397)
PRC tax refunded	200	–
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(55,364)	51,640



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	2006	2005
	HK\$'000	HK\$'000
INVESTING ACTIVITIES		
Dividends received from a jointly controlled entity	6,656	6,012
Dividend received from an associate	3,782	3,047
Proceeds from disposal of property, plant and equipment	62	81
Proceed from disposal of property held for sale	2,976	–
Purchase of property, plant and equipment	(9,707)	(8,455)
Decrease in pledged bank deposits	–	1,000
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NET CASH FROM INVESTING ACTIVITIES	3,769	1,685
FINANCING ACTIVITIES		
New bank loans raised	314,162	131,913
Trust receipt loans raised	295,806	290,684
Bank advances for discounted bills	189,284	–
Proceeds on issue of ordinary shares	162,500	–
Advance from a related company	34,837	–
Repayment of trust receipt loans	(320,016)	(290,240)
Repayment of bank loans	(218,234)	(166,398)
Repayment of bank advances for discounted bills	(145,939)	–
Share issue expenses paid	(1,089)	–
Dividend paid	–	(15,391)
Repayment of obligations under finance lease	–	(206)
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NET CASH FROM (USED IN) FINANCING ACTIVITIES	311,311	(49,638)
NET INCREASE IN CASH AND CASH EQUIVALENTS	259,716	3,687
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	37,378	33,255
Effect of foreign exchange rate changes	472	436
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CASH AND CASH EQUIVALENTS AT END OF THE YEAR,		
Bank balances and cash	297,566	37,378
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