

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2006

Note	2006 HK\$'000	2005 HK\$'000
PROFIT FROM ORDINARY ACTIVITIES		
BEFORE TAXATION	88,082	66,722
ADJUSTMENTS FOR:		
Interest income	(4,140)	(1,778)
Depreciation of property, plant and equipment	4,710	4,536
Loss/(gain) on disposals of property, plant and equipment	82	(62)
Amortisation of lease premium for land and land use rights	491	491
Provision/(write-back of provision) for obsolete and slow-moving inventories	386	(899)
OPERATING PROFIT BEFORE WORKING		
CAPITAL CHANGES	89,611	69,010
Increase in inventories	(22,359)	(5,669)
Increase in amount due from ultimate parent enterprise	–	(4)
(Increase)/decrease in prepayments, deposits and other receivables	(670)	4,797
Decrease/(increase) in trade receivables	122	(20,157)
Increase in trade payables	4,854	4,128
Increase in other payables and accruals	2,119	1,381
CASH GENERATED FROM OPERATIONS	73,677	53,486
Hong Kong profits tax paid	(6,071)	(5,716)
Overseas tax paid	(2,017)	(466)
NET CASH INFLOW FROM OPERATIONS	65,589	47,304
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposals of property, plant and equipment	6	140
Acquisition of property, plant and equipment	(4,676)	(6,142)
Interest received	4,140	1,778
NET CASH USED IN INVESTING ACTIVITIES	(530)	(4,224)
NET CASH INFLOW BEFORE FINANCING ACTIVITIES	65,059	43,080

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NET CASH INFLOW BEFORE FINANCING ACTIVITIES		65,059	43,080
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(21,440)	(16,640)
NET CASH USED IN FINANCING ACTIVITIES		(21,440)	(16,640)
NET INCREASE IN CASH AND CASH EQUIVALENTS		43,619	26,440
EFFECT ON CUMULATIVE TRANSLATION ADJUSTMENT		759	(5)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		110,734	84,299
CASH AND CASH EQUIVALENTS AT END OF YEAR	20	155,112	110,734

The notes on pages 37 to 76 form an integral part of these financial statements.