

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2006

	NOTE	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES			
Profit before taxation		72,991	83,346
Adjustments for:			
Finance costs		18,889	23,051
Interest income		(2,527)	(1,926)
Depreciation of property, plant and equipment		32,806	32,509
Depreciation of investment properties		198	215
Amortisation of prepaid lease payments		1,056	929
Impairment loss on available for sale investments		1,000	—
Discount on acquisition of subsidiaries		(23,422)	—
Loss on disposal of property, plant and equipment		124	15
Allowance for bad and doubtful debts		4,003	1,513
Share issue expenses charged to consolidated income statement		—	14,224
Gain on disposal of investment properties		(835)	—
Operating cash flows before movements in working capital		104,283	153,876
(Increase) decrease in inventories		(9,513)	4,387
Increase in trade receivables, bills receivables and other receivables, deposits and prepayments		(61,489)	(46,490)
Decrease in amounts due from related companies		1,990	48,100
Increase (decrease) in bills payable		16,331	(12,443)
Increase in trade and other payables		10,730	853
(Decrease) increase in amount due to a director		(180)	180
Increase in amount due to a related company		129	—
Cash generated from operations		62,281	148,463
Tax paid		(13,047)	(5,308)
NET CASH GENERATED FROM OPERATING ACTIVITIES		49,234	143,155
INVESTING ACTIVITIES			
Interest received		2,527	1,926
Proceeds from disposal of investment properties		5,390	—
Proceeds from disposal of property, plant and equipment		2,962	—
Sales proceeds on investments held for trading		—	780
Prepaid lease payments		(6,330)	(5,438)
Purchase of property, plant and equipment		(62,632)	(9,230)
Deposit paid for acquisition of land use rights and property, plant and equipment		(24,031)	(962)
Acquisition of subsidiaries	34	(5,894)	—
(Increase) decrease in pledged bank deposits/fixed bank deposits		(10,267)	16,231
NET CASH (USED IN) FROM INVESTING ACTIVITIES		(98,275)	3,307

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2006

	2006 HK\$'000	2005 HK\$'000
FINANCING ACTIVITIES		
Dividend paid	(18,800)	—
Interest paid	(18,889)	(19,951)
Repayment of bank loans	(509,074)	(611,470)
Repayment of obligations under finance leases	(4,542)	(8,616)
New bank loans raised	565,206	594,195
Proceeds from issue of new shares	—	101,000
Expenditure on issue of new shares	—	(22,018)
Decrease in amounts due to shareholders	—	(111,285)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	<u>13,901</u>	<u>(78,145)</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(35,140)	68,317
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	5,802	2,242
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>86,086</u>	<u>15,527</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u><u>56,748</u></u>	<u><u>86,086</u></u>
Bank balances and cash	65,562	106,710
Bank overdrafts	(8,814)	(20,624)
	<u><u>56,748</u></u>	<u><u>86,086</u></u>