

## Consolidated Cash Flow Statement

For the year ended 31 December 2006

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	2006 HK\$'000	2005 HK\$'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	<b>48,327</b>	41,901
Adjustments for:		
Impairment loss recognised in respect of trade receivables	<b>1,380</b>	2,404
Bad debts written off	<b>305</b>	4
Release of prepaid lease payment	<b>531</b>	120
Depreciation of property, plant and equipment	<b>22,936</b>	19,640
Finance costs	<b>11,250</b>	9,662
Increase in fair value of investment properties	<b>(600)</b>	(700)
Interest income	<b>(346)</b>	(105)
Operating cash flow before movements in working capital	<b>83,783</b>	72,926
Increase in inventories	<b>(11,767)</b>	(6,512)
Increase in trade and other receivables	<b>(92,255)</b>	(14,581)
Decrease (increase) in bills receivable	<b>5,555</b>	(5,570)
Increase (decrease) in trade and other payables	<b>61,468</b>	(9,307)
(Decrease) increase in bills payable	<b>(12,779)</b>	14,239
Cash generated from operations	<b>34,005</b>	51,195
Hong Kong Profits Tax paid	<b>(3,429)</b>	(1,211)
PRC Enterprise Income Tax paid	<b>(2,270)</b>	(713)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>28,306</b>	49,271
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<b>(60,117)</b>	(11,839)
Payment of lease payment	<b>(16,778)</b>	(1,010)
Increase in pledged bank deposits	<b>(5,629)</b>	(70)
Interest received	<b>346</b>	105
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(82,178)</b>	(12,814)
<b>FINANCING ACTIVITIES</b>		
Bank and other borrowings raised	<b>283,487</b>	318,302
Proceeds on issue of shares received	<b>60,000</b>	–
Repayment of bank and other borrowings	<b>(215,912)</b>	(311,628)
Repayment of obligations under finance leases	<b>(27,173)</b>	(24,067)
Interest paid	<b>(11,250)</b>	(9,662)
Repayment to a shareholder	<b>(8,646)</b>	(6,629)
Share issue expenses	<b>(5,401)</b>	–
Repayment of advances from a related party	<b>(413)</b>	(238)
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>	<b>74,692</b>	(33,922)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>20,820</b>	2,535
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>15,038</b>	12,502
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	<b>–</b>	1
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR, represented by bank balances and cash</b>	<b>35,858</b>	15,038