

Consolidated Cash Flow Statement

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		231,823	209,087
Adjustments for:			
Finance costs	7	99,054	59,932
Interest income	6	(6,980)	(2,245)
Dividend income	6	(982)	–
Gain on disposal of available-for-sale investment	6	(16,397)	–
Depreciation	8	129,524	91,634
Amortisation of lease premium for land	8	648	357
Loss on disposal of items of property, plant and equipment, net	8	218	813
Provision for slow-moving and obsolete inventories	8	9,367	23,136
Employee share-based compensation expenses		4,468	3,856
Excess over the cost of acquisition of interest in an associate	6	(1,625)	–
Share of profit of an associate		(4,001)	–
		445,117	386,570
Decrease/(increase) in inventories		100,950	(372,584)
Increase in trade receivables		(145,240)	(49,966)
Decrease/(increase) in factored trade receivables		128,369	(502,067)
Increase in prepayments, deposits and other receivables		(80,511)	(10,482)
Decrease/(increase) in derivative financial instruments		(4,514)	542
Increase in lease premium for land		–	(3,623)
Increase in trade and bills payables		189,817	196,431
Increase in other payables and accruals		56,758	75,871
Increase/(decrease) in bank advances on factored trade receivables		(118,531)	512,477
		572,215	233,169
Cash generated from operations		(13,112)	(7,789)
Mainland China income tax paid		(1,792)	–
Overseas income tax paid		7,259	4,719
Mainland China income tax refund		6,980	2,245
Interest received		(99,054)	(55,795)
Interest paid			
		472,496	176,549
Net cash inflow from operating activities			

Consolidated Cash Flow Statement (continued)

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(375,493)	(346,627)
Proceeds from disposal of items of property, plant and equipment		3,176	5,786
Purchase of available-for-sale investment		(23,561)	–
Proceeds from disposal of available-for-sale investment		21,919	–
Dividend received		982	–
(Increase)/decrease in pledged bank balances and time deposits		(125,498)	18,988
Increase in prepayments for acquisition of investments		–	(22,230)
Acquisition of subsidiaries	33	(13,290)	–
Net cash outflow from investing activities		(511,765)	(344,083)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital contribution by minority shareholders		18,720	–
New bank loans		1,966,404	2,043,888
Repayment of bank loans		(1,995,665)	(2,120,433)
Proceeds from issue of shares		–	364,000
Share issue expenses		–	(42,133)
Net cash inflow/(outflow) from financing activities		(10,541)	245,322
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(49,810)	77,788
Cash and cash equivalents at beginning of year		226,699	145,322
Effect of foreign exchange rate changes, net		2,658	3,589
CASH AND CASH EQUIVALENTS AT END OF YEAR		179,547	226,699
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	25	179,547	226,699