

# Consolidated Cash Flow Statement

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		89,149	67,161
Adjustments for:			
Depreciation	6, 14	75,415	45,834
Amortisation		95	226
Recognition of prepaid land lease payments	6	814	776
Provision/(write-back of provision) against inventory obsolescence	6	4,674	(4,961)
Loss on disposal of items of property, plant and equipment, net	6	1,709	338
Impairment of items of property, plant and equipment	6	8,422	–
Loss on disposal of a subsidiary	6, 33	–	173
Fair value gains on investment properties	5, 16	(769)	(3,216)
Fair value (gains)/losses, net:			
Derivative financial instruments			
– transactions not qualifying as hedges	6	(789)	1,735
Unrealised exchange gains, net		(3,372)	(1,050)
Equity-settled share option expenses	6, 31	3,924	7,577
Finance costs	7	23,497	12,216
Interest income	5	(4,574)	(2,411)
		<b>198,195</b>	<b>124,398</b>
Increase in inventories		(65,239)	(68,070)
Increase in trade receivables		(35,593)	(47,441)
(Increase)/decrease in prepayments, deposits and other receivables		(4,432)	8,699
Increase in an amount due from an unlisted equity investment		(1,350)	–
Increase/(decrease) in trade and bills payables		14,315	(757)
(Decrease)/increase in other payables and accruals		(9,940)	28,083
		<b>95,956</b>	<b>44,912</b>
Cash generated from operations			
Interest received		4,574	2,411
Interest paid		(16,506)	(8,312)
Interest element on finance lease rental payments		(6,158)	(3,487)
Income taxes paid		(4,519)	(4,260)
		<b>73,347</b>	<b>31,264</b>
Net cash inflow from operating activities			

## Consolidated Cash Flow Statement (Continued)

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
Net cash from operating activities		73,347	31,264
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(297,668)	(199,269)
Prepaid land lease payments	15	–	(1,537)
Proceeds from disposal of items of property, plant and equipment		741	–
Investment in an unlisted equity investment	19	(150)	–
Disposal of a subsidiary	33	–	(173)
Decrease in pledged fixed deposits with banks		–	11,506
Net cash outflow from investing activities		(297,077)	(189,473)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	30(c)	224,400	115,000
Share issue expenses	30(c)	(12,073)	(3,516)
Repurchase of shares	30(e)	(1,032)	–
Share options exercised	30(d)	2,400	835
New bank loans and other borrowings		136,069	226,890
Repayment of bank loans and other borrowings		(85,607)	(22,740)
Capital element of finance lease rental payments		(31,516)	(19,373)
Dividends paid		(23,885)	(19,812)
Decrease in trust receipt loans		–	(6,011)
Net cash inflow from financing activities		208,756	271,273
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(14,974)	113,064
Cash and cash equivalents at beginning of year		152,340	38,095
Effect of foreign exchange rate changes, net		1,304	1,181
CASH AND CASH EQUIVALENTS AT END OF YEAR		138,670	152,340
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	23	96,726	95,591
Non-pledged time deposits with original maturity of less than three months when acquired	23	41,977	62,852
Bank overdrafts	27	138,703 (33)	158,443 (6,103)
		138,670	152,340