

Consolidated Cash Flow Statement

For the year ended 31st December, 2006

	Notes	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES			
Profit before taxation		104,050	138,866
Adjustments for:			
(Gain) loss on disposal of property, plant and equipment		(648)	69
Loss on fair value changes on held-for-trading investments		122	447
Interest income		(730)	(590)
Interest expenses		503	35
Depreciation		36,530	35,205
Gain on disposal of subsidiaries		(715)	—
Revaluation deficit on property, plant and equipment		—	804
Impairment loss on goodwill		—	807
Share-based payment expenses		812	1,625
Discount on acquisition of subsidiaries		—	(3,390)
Amortisation of prepaid lease payments		32	30
Operating cash flows before movements in working capital		139,956	173,908
(Increase) decrease in inventories		(43,261)	42,980
(Increase) decrease in trade and other receivables		(41,214)	19,918
Increase (decrease) in trade and other payables		31,457	(14,392)
Effect of foreign exchange rate changes		37	(464)
Cash generated from operations		86,975	221,950
Income taxes (paid) refund		(632)	3,004
Interest paid		(503)	(35)
NET CASH FROM OPERATING ACTIVITIES		85,840	224,919
INVESTING ACTIVITIES			
Interest received		730	590
Proceeds from disposal of property, plant and equipment		10,011	259
Purchases of property, plant and equipment		(36,854)	(46,766)
Acquisition of subsidiaries	29	—	(54,134)
Disposal of subsidiaries	30	(125)	—
Decrease (increase) in pledged bank deposit		46,699	(46,979)
NET CASH FROM (USED IN) INVESTING ACTIVITIES		20,461	(147,030)

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FINANCING ACTIVITIES			
Dividends paid		(110,748)	(116,945)
Repayment of obligations under a finance lease		—	(173)
Repayment of bank borrowings		—	(8,201)
Increase of bank overdrafts		13,525	—
Repurchase of shares		(20,465)	—
NET CASH USED IN FINANCING ACTIVITIES		(117,688)	(125,319)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(11,387)	(47,430)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		42,258	89,688
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by Bank balances and cash		30,871	42,258