

# Consolidated Cash Flow Statement

For the year ended 31 December 2006

	2006 <i>HK\$'000</i>	2005 <i>HK\$'000</i>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	<b>97,758</b>	13,993
Adjustments for:		
Share of result of an associate	<b>159</b>	—
Finance costs	<b>4</b>	5
Interest income	<b>(5,901)</b>	(1,962)
Fair value gain on derivative financial instruments	<b>(288)</b>	(504)
Dividend income from available-for-sale investments	<b>—</b>	(32)
Depreciation of property, plant and equipment	<b>32,477</b>	33,112
Amortisation of prepaid lease payments	<b>835</b>	870
Amortisation of intellectual property rights	<b>3,956</b>	5,250
Employee share-based payments	<b>810</b>	—
Impairment for bad and doubtful debts	<b>3,352</b>	6,958
Impairment loss on intellectual property rights	<b>1,862</b>	8,540
Impairment loss on loan to an associate	<b>—</b>	3,600
Loss on disposal of property, plant and equipment	<b>45</b>	78
Write-down (reversals of write-down) on inventories	<b>6,245</b>	(838)
Discount on acquisition of an additional interests in a subsidiary	<b>(6,523)</b>	—
Gain on disposal of prepaid lease payments	<b>(3,255)</b>	—
Fair value gain of investment properties	<b>(2,200)</b>	(3,700)
(Surplus) deficit arising on revaluation of land and buildings	<b>(797)</b>	975
Operating cash flows before movements in working capital	<b>128,539</b>	66,345
(Increase) decrease in inventories	<b>(10,806)</b>	24,213
Decrease (increase) in trade and other receivables	<b>12,059</b>	(1,854)
Increase (decrease) in trade and other payables	<b>10,057</b>	(31,819)
Cash generated from operations	<b>139,849</b>	56,885
Hong Kong Profits Tax paid	<b>(2,548)</b>	(5,059)
Taxation paid in other jurisdictions	<b>(2,606)</b>	(4,330)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>134,695</b>	47,496

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	2006 <i>HK\$'000</i>	2005 <i>HK\$'000</i>
<b>INVESTING ACTIVITIES</b>		
Proceeds on disposal of leasehold land	<b>10,189</b>	—
Interest received	<b>5,901</b>	1,962
Proceeds on disposal of property, plant and equipment	<b>928</b>	200
Proceeds on disposal of derivative financial instruments	<b>572</b>	—
Dividend income from available-for-sale investments	—	32
Purchase of property, plant and equipment	<b>(20,882)</b>	(9,528)
Payment of leasehold land	<b>(7,965)</b>	—
Acquisition of additional interests in a subsidiary	<b>(4,316)</b>	—
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(15,573)</b>	(7,334)
<b>FINANCING ACTIVITIES</b>		
Dividends paid	<b>(39,707)</b>	(36,105)
Repurchase of shares	<b>(88)</b>	—
Interest paid	<b>(4)</b>	(5)
Dividend paid to a minority shareholder of a subsidiary	—	(1,290)
<b>CASH USED IN FINANCING ACTIVITIES</b>	<b>(39,799)</b>	(37,400)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>79,323</b>	2,762
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>178,423</b>	175,559
Effect of foreign exchange rate changes	<b>2,093</b>	102
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b> represented bank balances and cash	<b>259,839</b>	178,423