

# Consolidated Cash Flow Statement

For the year ended 31 December 2006

	2006 HK\$'000	2005 HK\$'000
<b>Cash flows from operating activities</b>		
<b>Profit before taxation</b>	<b>100,318</b>	79,202
Adjustment for:		
Interest income	(1,174)	(693)
Amortisation of prepaid lease payments	144	183
Amortisation of intangible assets	11,328	5,328
Depreciation	7,638	6,382
Reversal of revaluation on prepaid lease payments	–	(712)
Share-based payment expenses	491	–
<b>Operating profit before working capital changes</b>	<b>118,745</b>	89,690
Increase in inventories	(3,555)	(1,223)
Increase in trade receivables	(16,131)	(33,825)
Decrease in prepayments, deposits and other receivable	1	12,853
Increase in trade payables	4,388	9,026
Increase in accruals and other payables	2,103	3,781
Increase in amount due to a director	2,419	–
<b>Cash generated from operation</b>	<b>107,970</b>	80,302
PRC enterprise income tax paid	(16,683)	(11,533)
<b>Net cash generated from operating activities</b>	<b>91,287</b>	68,769
<b>Investing activities</b>		
Purchase of property, plant and equipment	(59,357)	(47,174)
Addition to prepaid lease payment	(9)	(630)
Purchase of intangible asset	(22,000)	(65,962)
Interest received	1,174	693
<b>Net cash used in investing activities</b>	<b>(80,192)</b>	(113,073)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>11,095</b>	(44,304)
<b>Cash and cash equivalents at beginning of the year</b>	<b>139,327</b>	180,605
<b>Effect of foreign exchange rate changes, net</b>	<b>5,617</b>	3,026
<b>Cash and cash equivalents at end of the year</b>	<b>156,039</b>	139,327
<b>Analysis of the balances of cash and cash equivalents</b>		
Cash and bank balances	156,039	139,327

The notes on pages 38 to 79 form an integral part of these financial statements.