

Consolidated Cash Flow Statement

For the year ended 31 December 2006

	2006 HK\$'000	2005 HK\$'000
Cash flows from operating activities		
Profit before income tax	60,060	53,811
Adjustments for:		
Finance costs	486	269
Interest income	(728)	(620)
Gain on disposal of property, plant and equipment	(23)	–
Gain on disposal of financial assets at fair value through profit or loss	(812)	(773)
Depreciation	30,120	25,137
Fair value loss on financial assets at fair value through profit or loss	183	500
Impairment of goodwill	1,780	3,558
Share based payment	1,560	–
Provision for impairment of trade receivables	3,093	457
Write-off of items of property, plant and equipment	1,164	326
Write down of inventories to net realisable value	1,556	–
Surplus on revaluation of leasehold land and buildings	(189)	(256)
Operating profit before working capital changes	98,250	82,409
Increase in inventories	(7,004)	(35,944)
Increase in trade and bills receivables	(6)	(910)
(Increase)/decrease in prepayments, deposits and other receivables	(2,574)	1,536
(Decrease)/increase in trade and bills payables	(15,562)	20,032
Increase in amount due to a related company	–	7
(Decrease)/increase in other payables and accruals	(12,714)	1,413
Cash generated from operations	60,390	68,543
Interest received	728	620
Interest paid	(486)	(269)
Dividends paid	(34,335)	(9,810)
Corporate income tax paid	(1,436)	(1,490)
Net cash generated from operating activities	24,861	57,594
Cash flows from investing activities		
Purchases of items of property, plant and equipment	(22,110)	(65,736)
Proceeds from disposal of property, plant and equipment	69	–
Proceeds from disposal of financial assets at fair value through profit or loss	9,772	8,056
Purchases of financial assets at fair value through profit or loss	(9,380)	(8,210)
Acquisition of a subsidiary	–	(24,834)
Decrease in time deposits with original maturity of more than three months when acquired	6,663	1,556
Net cash used in investing activities	(14,986)	(89,168)

	2006 HK\$'000	2005 HK\$'000
Cash flows from financing activities		
Proceeds from bank loans	25,000	2,000
Repayment of bank loans	(25,000)	(2,000)
Proceeds from other loans	32,000	10,000
Repayment of other loans	(32,000)	(10,000)
Net cash generated from financing activities	–	–
Net increase/(decrease) in cash and cash equivalents	9,875	(31,574)
Cash and cash equivalents at 1 January	53,301	83,629
Effect of foreign exchange rate changes, net	1,154	1,246
Cash and cash equivalents at 31 December	64,330	53,301
Analysis of balances of cash and cash equivalents		
Cash and bank balances	61,668	49,357
Non-pledged time deposits with original maturity of less than three months when acquired	2,662	3,944
	64,330	53,301