

Consolidated Cash Flow Statement

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		121,806	90,262
Adjustments for:			
Bank interest income	5	(888)	(671)
Finance costs	6	39,221	25,081
Amortisation of bank charges	6	1,600	1,000
Depreciation of items of property, plant and equipment	7	69,960	55,860
Depreciation of investment properties	7	377	376
Amortisation of prepaid land lease payments	7	949	449
Loss/(gain) on disposal of items of property, plant and equipment	7	480	(160)
Allowance for doubtful debts	7	69	13,030
Write back of allowance for doubtful debts	7	(1,493)	(147)
Fair value gain on equity investments at fair value through profit or loss	5	(63)	(54)
Equity-settled share option expenses		–	4,300
		232,018	189,326
Increase in inventories		(102,245)	(76,241)
Increase in accounts and bills receivable	29(b)	(63,342)	(132,079)
Decrease/(increase) in prepayments, deposits and other receivables		(4,627)	7,108
Increase in accounts and bills payable		163,316	49,509
Increase in accrued liabilities and other payables		7,707	5,791
Increase/(decrease) in an amount due to a minority shareholder	29(c)	(114)	114
Increase/(decrease) in bank advances for discounted bills		(19,098)	104,894
Cash generated from operations		213,615	148,422
Interest received		888	671
Interest paid		(34,238)	(21,379)
Interest element of finance lease rental payments		(4,983)	(3,702)
Hong Kong profits tax paid		(1,890)	(14,307)
Overseas taxes paid		(7,087)	(10,077)
Net cash inflow from operating activities		166,305	99,628

Consolidated Cash Flow Statement *(continued)*

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
Net cash inflow from operating activities		166,305	99,628
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	29(a),(b)	(142,022)	(218,255)
Prepayment of land leases	29(b)	(7,401)	(20,726)
Purchase of equity investments at fair value through profit or loss		(822)	(443)
Proceeds from disposal of items of property, plant and equipment		691	236
Decrease/(increase) in pledged time deposits		(6)	5,802
Decrease in non-pledged time deposits with original maturity of over three months when acquired		–	5,000
Contribution from a minority shareholder	29(c)	50	114
Net cash outflow from investing activities		(149,510)	(228,272)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital element of finance lease rental payments		(42,025)	(42,162)
Drawdown of bank loans		1,167,564	1,352,396
Repayment of bank loans		(1,097,496)	(1,111,301)
Dividend paid		(19,840)	(10,240)
Net cash inflow from financing activities		8,203	188,693
NET INCREASE IN CASH AND CASH EQUIVALENTS		24,998	60,049
Cash and cash equivalents at beginning of year		171,691	111,642
Effect of foreign exchange rate changes, net		(3,613)	–
CASH AND CASH EQUIVALENTS AT END OF YEAR		193,076	171,691
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	193,076	158,757
Non-pledged time deposits with original maturity of less than three months when acquired	21	–	13,414
Bank overdrafts	23	–	(480)
		193,076	171,691