

36 Consolidated Cash Flow Statement

ANNUAL REPORT 2006

Tongda Group Holdings Limited

Year ended 31 December 2006

	<i>Notes</i>	2006 <i>HK\$'000</i>	2005 <i>HK\$'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		195,390	141,881
Adjustments for:			
Finance costs	6	17,675	14,583
Depreciation	7	27,819	23,633
Amortisation of prepaid land lease payments	7	465	499
Share of profit and loss of a jointly-controlled entity		(4,990)	(1,815)
Share of profits and losses of associates		(4,338)	(4,794)
Bank interest income	7	(1,457)	(628)
Loss/(gain) on disposal of items of property, plant and equipment	7	313	(98)
Changes in fair value of an investment property	7	(400)	(1,100)
Amortisation of prepayments	7	897	793
Impairment/(write-back of impairment) of bad and doubtful debts	7	(719)	3,121
Write-off of trade receivables	7	126	2,155
Write-back of obsolete inventories	7	(180)	(787)
Equity-settled share option expense	29	770	1,075
Loss on disposal of a subsidiary	7, 31	–	1,374
		231,371	179,892
Increase in inventories		(17,282)	(22,761)
Increase in trade and bills receivables		(66,162)	(108,317)
Decrease/(increase) in prepayments, deposits and other receivables		13,204	(7,770)
Decrease/(increase) in amounts due from associates	32	6,547	(2,246)
Increase in an amount due from a jointly-controlled entity		(1,241)	(560)
Increase/(decrease) in trade and bills payables		(59,163)	40,818
Increase in accrued liabilities and other payables		15,708	14,357
Cash generated from operations		122,982	93,413
Interest paid		(17,675)	(14,583)
Hong Kong profits tax paid, net		(1,226)	(1,419)
Overseas taxes paid		(6,244)	(7,941)
Net cash inflow from operating activities		97,837	69,470

Year ended 31 December 2006

	<i>Notes</i>	2006 <i>HK\$'000</i>	2005 <i>HK\$'000</i>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,457	628
Dividend received from an associate		–	2,500
Purchases of items of property, plant and equipment	13	(101,518)	(95,232)
Proceeds from disposal of items of property, plant and equipment		575	929
Acquisition of a jointly-controlled entity		–	(10,701)
Capital contribution from a minority shareholder of a subsidiary		–	606
Proceeds from disposal of a subsidiary		–	10,194
Additions to prepayments		(203)	(3,131)
Decrease in long term deposits		1,628	6,032
Decrease/(increase) in pledged bank deposits		4,141	(6,015)
Net cash outflow from investing activities		(93,920)	(94,190)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		346,000	278,846
Repayment of bank loans		(303,825)	(199,833)
Decrease in trust receipt loans		(5,133)	(6,286)
Proceeds from exercise of share options	28	13,948	–
Repayment of advance from a minority shareholder of a subsidiary		(3)	(791)
Dividends paid		(43,293)	(32,995)
Net cash inflow from financing activities		7,694	38,941
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		103,100	84,416
Effect of foreign exchange rate changes, net		(1,500)	4,463
CASH AND CASH EQUIVALENTS AT END OF YEAR		113,211	103,100
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	23	81,595	86,026
Non-pledged time deposits with original maturities less than three months when acquired		31,616	17,074
		113,211	103,100