

Consolidated Cash Flow Statement

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		21,321	94,787
Adjustments for:			
Bank interest income	5	(1,373)	(1,066)
Depreciation	6	170,207	155,840
Loss on disposal of items of property, plant and equipment	6	9,635	1,676
Provision for obsolete inventories	6	14,137	6,058
Impairment of an available-for-sale financial asset	6	93	—
Finance costs	7	45,532	25,765
Recognition of prepaid land lease payments	14	699	355
Equity-settled share option expense		—	311
		260,251	283,726
Decrease in rental and utility deposits		1,070	20
Decrease in prepaid rental, long term portion		185	150
Increase in inventories		(41,594)	(72,839)
Decrease/(increase) in trade receivables		36,421	(41,602)
Increase in prepayments, deposits and other receivables		(44,646)	(32,189)
Increase in an amount due from an associate		(31)	(263)
Increase/(decrease) in trade payables		(46,820)	76,945
Increase/(decrease) in other payables and accruals		(8,954)	21,329
Cash generated from operations		155,882	235,277
Interest received		1,373	1,066
PRC taxes paid		(131)	(3,195)
Refund of 5% of PRC corporate income tax	10	—	472
Net cash inflow from operating activities		157,124	233,620
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(148,417)	(286,473)
Additions to land lease payments	14	—	(16,688)
Deposits paid for items of property, plant and equipment		(11,096)	(37,185)
Proceeds from disposal of items of property, plant and equipment		101	457
Purchase of available-for-sale financial assets		—	(150)
Net cash outflow from investing activities		(159,412)	(340,039)

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Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		116,981	63,576
Share issue expenses	28	(559)	(1,588)
New bank loans		255,000	235,000
Repayment of bank loans		(253,359)	(33,341)
Increase/(decrease) in trust receipt loans		(26,638)	25,179
Interest paid	7	(35,418)	(23,501)
Interest element of finance lease rental payments	7	(11,209)	(5,521)
Capital element of finance lease rental payments		(88,972)	(64,846)
Dividend paid		—	(19,900)
Net cash inflow/(outflow) from financing activities		(44,174)	175,058
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		156,341	91,147
Effect of foreign exchange rate changes, net		2,256	(3,445)
CASH AND CASH EQUIVALENTS AT END OF YEAR		112,135	156,341
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	95,708	148,541
Non-pledged time deposits with original maturity of less than three months when acquired	21	15,931	7,800
Time deposits with original maturity of less than three months when acquired, pledged as security for declaration charges	21	496	—
		112,135	156,341