

CONSOLIDATED CASH FLOW STATEMENT

For the year ended December 31, 2004

	<i>NOTE</i>	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
OPERATING ACTIVITIES			
Profit from operations		273,117	618,289
Adjustments for:			
Interest income		(2,454)	(1,589)
Depreciation and amortisation		168,236	129,024
Amortisation of intangible assets		12,405	13,770
Impairment of intangible assets		–	10,878
Amortisation of goodwill		3,183	3,168
Loss on disposal of property, plant and equipment		5,553	9,030
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Operating cash flows before movements in working capital		460,040	782,570
Increase in inventories		(161,001)	(10,739)
Decrease (increase) in trade and other receivables		24,943	(10,989)
Decrease in bills receivable		1,146	29,235
(Increase) decrease in trade receivables due from related companies		(1,325)	88,517
Increase in amount due from a jointly controlled entity		(4,677)	(2,644)
Increase in trade and other payables		103,313	11,608
Increase in bills payable		88,695	257,717
Increase in amounts due to related companies		32,312	26,111
Increase in trade payable due to a jointly controlled entity		4,254	–
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Cash generated from operations		547,700	1,171,386
Interest received		2,454	1,589
Interest paid		(31,298)	(25,361)
The PRC income tax paid, net of tax refunds		(16,462)	(92,842)
Dividends paid to minority shareholders		(561)	(2,928)
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NET CASH FROM OPERATING ACTIVITIES		501,833	1,051,844
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INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,081,867)	(323,602)
Deposits paid for acquisition of property, plant and equipment		(47,305)	(91,570)
Decrease (increase) in pledged bank deposits		61,734	(78,432)
Acquisition of a subsidiary (net of cash and cash equivalents acquired)	28	–	(17,211)
Purchase of technical know-how		(9,760)	(1,122)
Purchase of utility rights		(12,164)	(467)
Repayment of loan receivable		795	795
Capital contributed by minority shareholders of a subsidiary		1,966	–
Proceeds from disposal of property, plant and equipment		6,483	4,083
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NET CASH USED IN INVESTING ACTIVITIES		(1,080,118)	(507,526)
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CONSOLIDATED CASH FLOW STATEMENT**(cont'd)***For the year ended December 31, 2004*

	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
FINANCING ACTIVITIES		
Bank loans raised	959,620	301,479
Repayment of bank loans	(198,747)	(622,853)
Dividends paid	(107,669)	(197,802)
(Repayment to) loan from ultimate holding company	(46,772)	101,590
Proceeds from issue of shares for cash, net of expenses	–	22,193
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NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES	606,432	(395,393)
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NET INCREASE IN CASH AND CASH EQUIVALENTS	28,147	148,925
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CASH AND CASH EQUIVALENTS BROUGHT FORWARD	473,199	324,274
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CASH AND CASH EQUIVALENTS CARRIED FORWARD, represented by bank balances and cash	<u>501,346</u>	<u>473,199</u>