

# Consolidated Cash Flow Statement

for the year ended 31 December 2005  
(Expressed in Hong Kong dollars)

	Note	2005		2004	
		\$'000	\$'000	\$'000	\$'000
<b>Operating activities</b>					
Profit before taxation		203,156		241,551	
Adjustments for:					
– Depreciation		97,161		82,727	
– Amortisation of intangible assets		9,711		7,494	
– Finance costs		20,601		20,170	
– Interest income		(2,599)		(4,273)	
– Loss on disposal of fixed assets		725		931	
– Foreign exchange gain		(18,413)		–	
<b>Operating profit before changes in working capital</b>					
		310,342		348,600	
Increase in inventories		(230,679)		(238,953)	
Decrease/(increase) in trade and other receivables		53,273		(69,798)	
(Increase)/decrease in amounts due from holding companies and fellow subsidiaries		(45,676)		175,920	
(Decrease)/increase in trade and other payables		(16,932)		46,467	
Increase in amounts due to holding companies and fellow subsidiaries		234,859		15,957	
<b>Cash generated from operations</b>					
		305,187		278,193	
Tax paid					
– PRC income tax paid		(16,203)		(21,881)	
<b>Net cash generated from operating activities carried forward</b>					
			288,984		256,312

# Consolidated Cash Flow Statement (Continued)

for the year ended 31 December 2005  
(Expressed in Hong Kong dollars)

	Note	2005		2004	
		\$'000	\$'000	\$'000	\$'000
<b>Net cash generated from operating activities brought forward</b>			<b>288,984</b>		256,312
<b>Investing activities</b>					
Payment for purchase of fixed assets		<b>(73,285)</b>		(162,619)	
Proceeds from disposal of fixed assets		<b>5,585</b>		4,733	
Payment for purchase of subsidiaries (net of cash acquired)	28	<b>(446)</b>		(61,807)	
Interest received		<b>2,599</b>		4,273	
<b>Net cash used in investing activities</b>			<b>(65,547)</b>		(215,420)
<b>Financing activities</b>					
Proceeds from new bank loans		<b>2,596,259</b>		3,640,962	
Repayment of bank loans and overdrafts		<b>(2,726,224)</b>		(3,567,872)	
Dividends paid		<b>(31,104)</b>		(31,104)	
Dividends paid by a subsidiary to a minority shareholder		-		(18,484)	
New contribution from minority shareholders		-		18,195	
Interest paid		<b>(20,601)</b>		(20,170)	
Repayment of loan from a fellow subsidiary		<b>(4,566)</b>		(165,423)	
<b>Net cash used in financing activities</b>			<b>(186,236)</b>		(143,896)
<b>Net increase/(decrease) in cash and cash equivalents</b>			<b>37,201</b>		(103,004)
<b>Cash and cash equivalents at 1 January</b>			<b>117,713</b>		221,104
<b>Effect of foreign exchange rate changes</b>			<b>(2,529)</b>		(387)
<b>Cash and cash equivalents at 31 December</b>	19		<b>152,385</b>		117,713

The notes on pages 26 to 66 form part of these financial statements.