

Consolidated Cash Flow Statement

Year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		106,730	69,827
Adjustments for:			
Finance costs	7	11,602	7,043
Share of profits and losses of jointly controlled entities		(1,225)	4,237
Dividend income	6	(1,189)	(244)
Interest income	6	(557)	(189)
Loss on disposal of items of property, plant and equipment	6	2,321	20
Depreciation	6	36,548	34,766
Recognition of prepaid land premiums		663	209
Amortisation of goodwill	6	–	121
Amortisation of other intangible assets	6	187	326
Negative goodwill recognised as income	6	–	(276)
Deferred income recognised as income	6	(248)	–
Gain on disposal of available-for-sale equity investments/ long term investments	6	(53)	(736)
Loss on disposal of short term investments	6	16	–
Impairment of goodwill	6	484	–
Fair value loss on short term investments	6	29	–
Fair value gain on derivative instruments – transactions not qualifying as hedges	6	(655)	–
Operating profit before working capital changes		154,653	115,104
Increase in inventories		(64,788)	(27,016)
Increase in trade receivables		(41,267)	(11,902)
Increase in prepayments, deposits and other receivables		(1,687)	(10,210)
Increase in trade payables		42,794	8,288
Increase in other payables and accrued liabilities		23,854	5,437
Decrease in amounts due from jointly controlled entities		–	86
Increase/(decrease) in amounts due to jointly controlled entities		3,018	(3,650)
Increase/(decrease) in provision of long service payments		567	(475)
Decrease in deferred profits		–	(1,674)
Cash generated from operations		117,144	73,988
Dividend received		1,189	244
Interest received		557	189
Interest paid		(11,314)	(6,437)
Interest element on finance lease rental payments		(288)	(606)
Overseas taxes refunded		1,852	–
Hong Kong profits tax paid		(8,328)	–
Overseas taxes paid		(5,629)	(5,714)
Net cash inflow from operating activities		95,183	61,664

Consolidated Cash Flow Statement (continued)

Year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
Net cash inflow from operating activities		95,183	61,664
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(130,013)	(79,486)
Proceeds from disposal of items of property, plant and equipment		63	2
Acquisition of minority interests		–	(8,383)
Investment in a jointly controlled entity		(2,979)	–
Advances to jointly controlled entities		(23,434)	–
Dividend received from a jointly controlled entity		3,747	–
Proceeds from disposal of available-for-sale equity investments		444	–
Proceeds from disposal of short term investments		29	–
Net cash outflow from investing activities		(152,143)	(87,867)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share repurchased	32	–	(6,188)
Share options exercised	32	1,026	6,495
Warrants exercised	32	18,877	–
Addition/(repayment) of trust receipts and other bank loans		(73,468)	49,112
New bank loans		310,000	48,663
Repayment of bank loans		(147,193)	(59,974)
Capital element of finance lease rental payments		(7,568)	(10,462)
Dividends paid		(13,590)	–
Net cash inflow from financing activities		88,084	27,646
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Effect of foreign exchange rate changes, net		310	102
Cash and cash equivalents at beginning of year		50,961	49,416
CASH AND CASH EQUIVALENTS AT END OF YEAR			
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	24	47,520	39,134
Time deposits with original maturity of less than three months when acquired	24	34,875	11,827
		82,395	50,961