

Consolidated Cash Flow Statement

(year ended 31 December 2005)

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		(400,982)	165,646
Adjustments for:			
Finance costs	8	20,232	12,152
Interest income	6	(3,329)	(3,069)
Depreciation	7	69,602	41,508
Amortisation of prepaid land premiums	7	510	262
Amortisation of intangible assets	7	598	581
Provision for bad and doubtful debts	7	35,663	-
Provision for obsolete and slow-moving inventories	7	53,831	18,430
Loss on disposal of items of property, plant and equipment	7	4,587	-
Impairment of goodwill	7	321,947	-
Operating profit before working capital changes		102,659	235,510
Increase in inventories		(50,537)	(78,291)
Decrease in trade and bills receivables		260,358	790
Decrease in prepayments, deposits and other receivables		15,528	9,681
Increase/(decrease) in trade and bills payables		(164,958)	279,109
Increase/(decrease) in other payables and accruals		176,440	(1,248)
Increase in provisions		7,912	56,405
Effect of foreign exchange rate changes, net		1,538	-
Cash generated from operations		348,940	501,956
Interest received		3,329	3,069
Mainland China corporate income tax paid		(2,265)	(45,935)
Net cash inflow from operating activities		350,004	459,090

Consolidated Cash Flow Statement (cont'd)

(year ended 31 December 2005)

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
Net cash inflow from operating activities		350,004	459,090
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(104,428)	(43,519)
Prepayment for land premiums		(14,025)	(6,859)
Proceeds from disposal of items of property, plant and equipment		6,858	1,089
Acquisition of subsidiaries	34	80,189	-
Decrease/(increase) in pledged deposits		2,431	(2,501)
Net cash outflow from investing activities		(28,975)	(51,790)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares upon exercise of share options	31	28,602	-
Interest paid		(10,497)	(12,152)
Dividends paid to minority interests		(6,303)	(5,672)
Dividends paid		-	(8,508)
New bank loans		81,731	181,495
Repayment of bank loans		(65,421)	(559,252)
Net repayment of trust receipts		(38,547)	(24,127)
Net cash outflow from financing activities		(10,435)	(428,216)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		310,594	(20,916)
Cash and cash equivalents at beginning of year		242,741	263,657
Effect of foreign exchange rate changes, net		7,002	-
CASH AND CASH EQUIVALENTS AT END OF YEAR		560,337	242,741
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		532,975	242,741
Time deposits with original maturity of less than three months when acquired	24	27,362	-
		560,337	242,741