

Consolidated Cash Flow Statement:

For the year ended 31 December 2005

	2005 HK\$'000	2004 HK\$'000 (restated)
OPERATING ACTIVITIES		
Profit before taxation	76,614	51,309
Adjustments for:		
(Write back) allowance for inventory obsolescence	(866)	2,943
Allowance for bad and doubtful debts	2,674	5,938
Amortisation of prepaid lease payments	1,327	1,528
Finance costs	26,041	24,360
Share of results of jointly controlled entities	(1,153)	(1,239)
Interest income	(3,155)	(2,167)
Increase in fair value of investment properties	(22,400)	–
Depreciation and amortisation of property, plant and equipment	58,367	42,599
(Gain) loss on disposal of property, plant and equipment	(2,628)	2,190
Gain on disposal of available-for-sale investments	(642)	–
Amortisation of trademarks	692	692
Impairment loss recognised in respect of property, plant and equipment	747	2,860
Proceeds on disposal of derivatives financial instruments	1,071	–
Operating cash flows before movements in working capital	136,689	131,013
Increase in prepaid lease payments	(2,019)	(1,150)
Increase in inventories	(3,399)	(60,214)
(Increase) decrease in trade receivables	(24,256)	4,730
Increase in bills receivable	(24,507)	(10,701)
Decrease in deposits, prepayments and other receivables	24,643	98,566
Decrease (increase) in amounts due from jointly controlled entities	2,277	(1,967)
Decrease in trade payables	(43,818)	(3,674)
Increase (decrease) in bills payable	372	(2,977)
Increase (decrease) in other payables and accruals	12,019	(773)
Increase (decrease) in amounts due to jointly controlled entities	2,786	(3,834)
Decrease in amount due to an associate	(3)	(3)
Provision for long service payments utilised	(570)	(559)
Cash generated from operations	80,214	148,457
Hong Kong Profits Tax paid	–	(2,489)
Overseas taxes paid	(1,507)	(4,108)
NET CASH GENERATED FROM OPERATING ACTIVITIES	78,707	141,860

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INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(76,986)	(98,663)
Decrease (increase) in pledged bank deposit	5,395	(5,554)
Proceeds on disposal of property, plant and equipment	10,292	15,964
Interest received	3,155	2,167
Proceeds on disposal of available-for-sale investments	13,760	–
Decrease in certificate of deposits	10,000	–
Capital contribution to a jointly controlled entity	(2,791)	–
NET CASH USED IN INVESTING ACTIVITIES	(37,175)	(86,086)
FINANCING ACTIVITIES		
New bank loans raised	130,000	494,487
Contribution from minority shareholders	–	18,352
Exercise of share options	1,920	985
Repayment of bank borrowings	(210,110)	(393,157)
Dividends paid	(26,653)	(19,737)
Decrease in trust receipt loans	(2,528)	(15,598)
Interest paid	(17,173)	(13,835)
Bank charges	(5,853)	(6,879)
Factoring expenses	(2,982)	(3,635)
Interest paid on obligations under finance leases	(33)	(11)
Repayments of obligations under finance leases	(12)	(330)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(133,424)	60,642
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(91,892)	116,416
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	295,858	179,635
EFFECT OF FOREIGN EXCHANGE RATE CHANGES, NET	67	(193)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	204,033	295,858
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	205,426	299,018
Bank overdrafts	(1,393)	(3,160)
	204,033	295,858