

# CONSOLIDATED

## CASH FLOW STATEMENT

For the year ended 31 December 2005

	Note	2005 HK\$'000	2004 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit from operations		122,587	89,533
Adjustments for:			
Depreciation and amortisation		18,889	10,666
Gain on disposals of property, plant and equipment		(414)	(19)
Interest income		(434)	(280)
Operating lease rental		82	80
Impairment loss on property, plant and equipment		–	970
Unrealised profit on closing inventories purchased from associates, net		197	–
Operating profit before working capital changes		140,907	100,950
Decrease in inventories		3,487	282
Increase in trade and other receivables		(1,074)	(113,296)
Increase in due from an associate		(14,227)	–
Increase in prepayments and deposits		(14,367)	(20,412)
(Decrease)/increase in trade and other payables		(29,514)	37,211
Increase in bills payables		14,106	1,611
Cash generated from operating activities		99,318	6,346
Interest paid		(10,028)	(8,297)
Finance lease charges paid		(1,603)	(977)
Income tax paid		(5,959)	(4,374)
Net cash generated from/(used in) operating activities		81,728	(7,302)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
(Increase)/decrease in pledged bank deposits		(12,955)	23,590
Purchases of property, plant and equipment		(45,776)	(70,913)
Dividend received from associates		30,494	53,171
Proceeds from disposals of property, plant and equipment		8,941	237
Interest received		434	280
Deposit paid for acquisition of an associate	20	–	(91,875)
Acquisition of an associate		(80,203)	–
Acquisition of a subsidiary	29	–	80
Net cash used in investing activities		(99,065)	(85,430)

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2005

	Note	2005 HK\$'000	2004 HK\$'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		118,125	188,000
Share issue expenses paid		(7,221)	(19,402)
Deposit received from a subscriber		–	81,875
Short term borrowings repaid		(283,155)	(112,472)
Short term borrowings raised		247,699	145,113
Payment of finance lease capital element, net		(9,605)	(2,321)
Dividend paid		(87,960)	(62,000)
Net cash (used in)/generated from financing activities		(22,117)	218,793
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		(39,454)	126,061
Exchange differences		343	75
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>		<b>132,765</b>	<b>6,629</b>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>		<b>93,654</b>	<b>132,765</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>			
Bank and cash balances		93,654	132,765