

CONSOLIDATED CASH FLOW STATEMENT

For the year ended December 31, 2005

	2005	2004
	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Restated)
OPERATING ACTIVITIES		
Profit before tax	148,992	248,577
Adjustments for:		
Interest income	(2,687)	(2,454)
Share of results of a jointly controlled entity	1,099	(3,419)
Finance costs	68,139	27,959
Amortisation of intangible assets	16,585	12,405
Amortisation of goodwill	–	3,183
Depreciation of property, plant and equipment	245,456	162,621
Amortisation of prepaid lease payments	4,474	5,615
Loss on disposal of property, plant and equipment	15,780	5,553
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Operating cash flows before movements in working capital	497,838	460,040
Increase in inventories	(303,198)	(161,001)
(Increase) decrease in trade and other receivables	(99,358)	24,943
(Increase) decrease in bills receivable	(27,950)	1,146
Increase in trade receivables due from related companies	(10,539)	(1,325)
Increase in amount due from a jointly controlled entity	(241)	(4,677)
Increase in trade and other payables	113,416	103,313
Increase in bills payable	15,836	88,695
Decrease in amounts due to related companies	(136)	(21,829)
(Decrease) increase in trade payable due to a jointly controlled entity	(1,307)	4,254
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Cash generated from operations	184,361	493,559
PRC Enterprise Income Tax refunds	10,859	10,482
PRC Enterprise Income Tax paid	(8,312)	(26,944)
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NET CASH FROM OPERATING ACTIVITIES	186,908	477,097
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INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(421,168)	(1,074,921)
Prepayment of land leases	(57,005)	(6,946)
Purchase of technical know-how	(6,521)	(9,760)
Decrease in pledged bank deposits	14,270	61,734
Proceeds from disposal of property, plant and equipment	7,987	6,483
Interest received	2,687	2,454
Repayment of loan receivable	780	795
Deposits paid for acquisition of property, plant and equipment	–	(47,305)
Purchase of utility rights	–	(12,164)
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NET CASH USED IN INVESTING ACTIVITIES	(458,970)	(1,079,630)
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CONSOLIDATED CASH FLOW STATEMENT

(cont'd)

For the year ended December 31, 2005

	2005	2004
	<i>HK\$'000</i>	<i>HK\$'000</i> (Restated)
FINANCING ACTIVITIES		
Bank loans raised	1,252,440	959,620
Capital contributed by minority shareholders of a subsidiary	1,331	1,966
Repayment of bank loans	(893,119)	(198,747)
Dividends paid to minority shareholders	(686)	(561)
Dividends paid	(54,141)	(53,528)
Repayment of loans from ultimate holding company	–	(46,772)
Interest paid	(74,862)	(31,298)
	230,963	630,680
NET CASH FROM FINANCING ACTIVITIES		
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(41,099)	28,147
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	501,346	473,199
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	12,459	–
	472,706	501,346
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	472,706	501,346