

## CONSOLIDATED CASH FLOW STATEMENT

*For the year ended December 31, 2006*

	<b>2006</b>	2005
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	1,600	148,992
Adjustments for:		
Interest income	(4,284)	(2,687)
Share of loss of a jointly controlled entity	3,350	1,099
Finance costs	95,776	68,139
Depreciation of property, plant and equipment	311,391	245,456
Amortisation of prepaid lease payments	4,361	4,474
Amortisation of intangible assets	20,902	16,585
(Gain) loss on disposal of property, plant and equipment	(3)	15,780
Release of a liability from a minority shareholder	(1,595)	-
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Operating cash flows before movements in working capital	431,498	497,838
Decrease (increase) in inventories	73,118	(303,198)
Increase in trade and other receivables	(61,501)	(99,358)
Decrease (increase) in bills receivable	19,780	(27,950)
Decrease (increase) in trade receivables due from related companies	11,733	(10,539)
Decrease (increase) in amount due from a jointly controlled entity	3,892	(241)
(Decrease) increase in trade and other payables	(112,521)	113,416
(Decrease) increase in bills payable	(180,758)	15,836
Increase in trade payables due to related companies	11,360	-
Increase (decrease) in amounts due to related companies	6,308	(136)
Decrease in trade payable due to a jointly controlled entity	(3,107)	(1,307)
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Cash generated from operations	199,802	184,361
PRC Enterprise Income Tax refunds	34,250	10,859
PRC Enterprise Income Tax paid	(3,234)	(8,312)
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<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>230,818</b>	<b>186,908</b>
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<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(335,997)	(421,168)
Purchase of technical know-how	(5,778)	(6,521)
Prepayment of land leases	(3,090)	(57,005)
(Increase) decrease in pledged bank deposits	(1,676)	14,270
Proceeds from early termination of land leases	14,740	-
Interest received	4,284	2,687
Repayment of loan receivable	670	780
Proceeds from disposal of property, plant and equipment	173	7,987
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<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(326,674)</b>	<b>(458,970)</b>
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**CONSOLIDATED CASH FLOW STATEMENT****(cont'd)***For the year ended December 31, 2006*

	<b>2006</b>	2005
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
FINANCING ACTIVITIES		
Bank loans raised	<b>785,000</b>	1,252,440
Loan raised from ultimate holding company	<b>1,400</b>	-
Loan raised from a fellow subsidiary	<b>20,000</b>	-
Capital contributed by minority shareholders of a subsidiary	-	1,331
Repayment of bank loans	<b>(726,000)</b>	(893,119)
Interest paid	<b>(95,443)</b>	(74,862)
Dividends paid	-	(54,141)
Dividends paid to minority shareholders	-	(686)
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NET CASH (USED IN) FROM FINANCING ACTIVITIES	<b>(15,043)</b>	230,963
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NET DECREASE IN CASH AND CASH EQUIVALENTS	<b>(110,899)</b>	(41,099)
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CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<b>472,706</b>	501,346
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EFFECT OF FOREIGN EXCHANGE RATE CHANGES	<b>25,598</b>	12,459
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CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	<b><u>387,405</u></b>	<u>472,706</u>