

## CONSOLIDATED CASH FLOW STATEMENT – UNAUDITED

for six months ended 30th June, in Hong Kong dollar thousands

		Six months ended 30th June	Year ended 31st December
	Note	2005	2004
<b>Operating activities</b>			
(Loss)/profit before taxation		(17,264)	(3,148)
Adjustments for:			
Depreciation of fixed assets		39,192	38,345
Impairment loss of fixed assets		–	–
Interest expense		2,795	1,058
Interest income		(4,269)	(2,058)
Loss on disposal of fixed assets		378	656
Amortisation of trademarks		1,947	1,972
Amortisation of goodwill		–	137
Foreign exchange loss/(gain)		266	(568)
<b>Operating profit before changes in working capital</b>		<b>23,045</b>	<b>36,394</b>
Decrease/(increase) in inventories		4,382	(429)
(Increase)/decrease in trade and other receivables		(23,249)	(6,513)
(Increase)/decrease in net amounts due from holding company and fellow subsidiaries		(5,520)	5,913
Increase/(decrease) in trade and other payables		38,757	9,192
Decrease in retirement benefit liability/asset		–	–
Increase in leased factory maintenance provision		2,032	2,038
<b>Cash generated from operations</b>		<b>39,447</b>	<b>46,595</b>
Income tax			
Hong Kong profits tax refunded/(paid)		66	–
Overseas tax refunded		–	–
<b>Net cash from operating activities</b>		<b>39,513</b>	<b>46,595</b>
<b>Investing activities</b>			
Payment for purchase of fixed assets		(9,740)	(6,764)
Payment for purchase of trademarks		–	(49)
Proceeds from disposal of fixed assets		371	281
Proceeds from redemption of held to maturity securities		–	6,596
Interest received		2,524	956
<b>Net cash (used in)/from investing activities</b>		<b>(6,845)</b>	<b>1,020</b>
<b>Financing activities</b>			
Repayment of bank loans		–	–
Interest paid		(1,015)	(1,005)
Dividends paid		(3,736)	–
<b>Net cash used in financing activities</b>		<b>(4,751)</b>	<b>(1,005)</b>
<b>Net increase in cash and cash equivalents</b>		<b>27,917</b>	<b>46,610</b>
<b>Cash and cash equivalents at beginning of period/year</b>		<b>454,817</b>	<b>352,964</b>
<b>Effect of foreign exchange rate changes</b>		<b>(150)</b>	<b>277</b>
<b>Cash and cash equivalents at end of period/year</b>	10	<b>482,584</b>	<b>400,319</b>

The Notes on pages 11 to 16 form part of this interim financial report.