

Consolidated Cash Flow Statement

Year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		67,161	57,540
Adjustments for:			
Depreciation	6	45,834	24,518
Amortisation of other non-current assets		226	–
Recognition of prepaid land lease payments	6	776	742
Provision/(write-back of provision) for inventory obsolescence		(4,961)	4,104
Gain/(Loss) on disposal of items of property, plant and equipment	6	338	(4)
Loss on disposal of a subsidiary	6, 32	173	–
Negative goodwill recognised as income	5	–	(1,487)
Changes in fair value of investment properties	5, 16	(3,216)	(2,559)
Derivative financial instruments – transactions not qualifying as hedges	6	1,735	–
Unrealised exchange (gains)/losses, net		(1,050)	364
Equity-settled share option expenses	6, 30	7,577	–
Finance costs	7	12,216	5,109
Interest income	5, 6	(2,411)	(69)
Operating profit before working capital changes		124,398	88,258
Increase in inventories		(68,070)	(27,780)
Increase in trade receivables		(47,441)	(14,077)
Decrease in prepayment, deposits and other receivables		8,699	457
Increase/(decrease) in trade and bills payables		(757)	9,942
Increase/(decrease) in other payables and accruals		28,083	(4,927)
Decrease in amounts due to directors		–	(383)
Cash generated from operations		44,912	51,490
Interest received		2,411	69
Interest paid		(8,312)	(4,236)
Interest element on finance lease rental payments		(3,487)	(873)
Income taxes paid		(4,260)	(3,314)
Net cash inflow from operating activities		31,264	43,136

Consolidated Cash Flow Statement *(Continued)*

Year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
Net cash inflow from operating activities		31,264	43,136
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of items of property, plant and equipment		(199,269)	(82,481)
Prepaid land lease payments	17	(1,537)	–
Proceeds from disposal of items of property, plant and equipment		–	4
Disposal of a subsidiary	32	(173)	–
(Increase)/decrease in pledged fixed deposits with banks		11,506	(1,925)
Net cash outflow from investing activities		(189,473)	(84,402)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		115,835	98,175
Share issue expenses		(3,516)	(26,362)
New bank loans and other loans		226,890	170,607
Repayment of bank loans		(22,740)	(128,478)
Capital element of finance lease rental payments		(19,373)	(12,941)
Dividend paid		(19,812)	(11,060)
Increase/(decrease) in trust receipt loan		(6,011)	3,987
Net cash inflow from financing activities		271,273	93,928
NET INCREASE IN CASH AND CASH EQUIVALENTS		113,064	52,662
Cash and cash equivalents at beginning of year		38,095	(14,374)
Effect of foreign exchange rate changes, net		1,181	(193)
CASH AND CASH EQUIVALENTS AT END OF YEAR		152,340	38,095
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	22	95,591	45,167
Non-pledged time deposits with original maturity of less than three months when acquired	22	62,852	7,095
Bank overdrafts	26	(6,103)	(14,167)
		152,340	38,095