

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		141,881	111,925
Adjustments for:			
Finance costs	6	14,583	9,040
Depreciation	7	23,633	17,854
Amortisation of prepaid land lease payments	7	499	440
Share of profit of a jointly-controlled entity		(1,815)	–
Share of profits and losses of associates		(4,794)	(5,494)
Bank interest income	7	(628)	(15)
Gain on disposal of items of property, plant and equipment	7	(98)	–
Changes in fair value of an investment property	7	(1,100)	(250)
Amortisation of prepayments	7	793	591
Impairment allowances for bad and doubtful debts, net	7	3,121	670
Write-off of trade receivables	7	2,155	–
Provisions for/(write-back of) obsolete inventories	7	(787)	1,628
Equity-settled share option expenses	29	1,075	–
Loss on disposal of a subsidiary	7, 31	1,374	–
Operating profit before working capital changes		179,892	136,389
Increase in inventories		(22,761)	(34,343)
Increase in trade and bills receivables		(108,317)	(135,797)
Decrease/(increase) in prepayments, deposits and other receivables	32	(7,770)	912
Increase in amounts due from associates	32	(2,246)	(2,145)
Increase in an amount due from a jointly-controlled entity		(560)	–
Increase in trade and bills payables		40,818	78,604
Increase in accrued liabilities and other payables		14,357	6,257
Cash generated from operations		93,413	49,877
Interest paid		(14,583)	(9,040)
Hong Kong profits tax paid, net		(1,419)	(396)
Overseas taxes paid		(7,941)	(1,854)
Net cash inflow from operating activities		69,470	38,587
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		628	15
Dividend received from an associate		2,500	2,000
Purchases of items of property, plant and equipment	13	(95,232)	(72,195)
Proceeds from disposal of items of property, plant and equipment		929	–
Acquisition of a jointly-controlled entity		(10,701)	–
Capital contribution from a minority shareholder of a subsidiary		606	–
Proceeds from disposal of a subsidiary		10,194	–
Additions to prepayments		(3,131)	(8,024)
Decrease/(increase) in long term deposits		6,032	(6,802)
Decrease/(increase) in pledged bank deposits		(6,015)	4,571
Net cash outflow from investing activities		(94,190)	(80,435)

Consolidated Cash Flow Statement

Year ended 31 December 2005

	<i>Notes</i>	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i> (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		278,846	255,139
Repayment of bank loans		(199,833)	(212,127)
Increase/(decrease) in trust receipt loans		(6,286)	12,781
Proceeds from issue of shares		–	44,310
Proceeds from exercise of share options		–	13,052
Repayment of advance from a minority shareholder of a subsidiary		(791)	227
Dividends paid		(32,995)	(36,086)
Net cash inflow from financing activities		38,941	77,296
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		84,416	48,968
Effect of foreign exchange rate changes, net		4,463	–
CASH AND CASH EQUIVALENTS AT END OF YEAR		103,100	84,416
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	23	86,026	84,416
Non-pledged time deposits with original maturities less than three months when acquired		17,074	–
		103,100	84,416

30/31