

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		90,262	124,983
Adjustments for:			
Bank interest income	5	(671)	(253)
Finance costs	6	26,081	15,870
Depreciation of property, plant and equipment	7	55,860	33,760
Depreciation of investment properties	7	376	–
Amortisation of prepaid land lease payments	7	449	1,069
Gain on disposal of items of property, plant and equipment	7	(160)	(3,165)
Bad debts written off	7	–	418
Allowance/provision for doubtful debts	7	13,030	1,744
Write back of allowance/provision for doubtful debts	7	(147)	(1,540)
Write back of provision for other receivables	7	–	(200)
Equity-settled share option expenses		4,300	1,000
Operating profit before working capital changes		189,380	173,686
Increase in inventories		(76,241)	(68,563)
Increase in accounts and bills receivable		(132,079)	(27,267)
Decrease in prepayments, deposits and other receivables		7,108	16,200
Increase in accounts and bills payable		49,509	5,715
Increase/(decrease) in accrued liabilities and other payables		5,791	(13,056)
Increase in an amount due to a minority shareholder		114	–
Increase in bank advances for discounted bills		104,894	–
Cash generated from operations		148,476	86,715
Interest received		671	253
Interest paid		(22,379)	(13,249)
Interest element of finance lease rental payments		(3,702)	(2,621)
Hong Kong profits tax paid		(14,307)	(10,932)
Overseas taxes paid		(10,077)	(7,398)
Net cash inflow from operating activities		98,682	52,768

Consolidated Cash Flow Statement *(continued)*

Year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
Net cash inflow from operating activities		<u>98,682</u>	<u>52,768</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(218,255)	(204,401)
Prepayment of land leases		(20,726)	(1,299)
Purchase of equity investments at fair value through profit or loss		(497)	–
Proceeds from disposal of items of property, plant and equipment		236	1,030
Decrease in pledged time deposits		5,802	22,703
Decrease/(increase) in non-pledged time deposits with original maturity of over three months when acquired		5,000	(5,000)
Contribution from a minority shareholder		114	–
Net cash outflow from investing activities		<u>(228,326)</u>	<u>(186,967)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		–	201,600
Share issue expenses		–	(15,371)
Capital element of finance lease rental payments		(42,162)	(28,304)
Drawdown of bank loans		1,352,396	704,597
Repayment of bank loans		(1,110,301)	(643,742)
Dividend paid		(10,240)	–
Net cash inflow from financing activities		<u>189,693</u>	<u>218,780</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		60,049	84,581
Cash and cash equivalents at beginning of year		<u>111,642</u>	<u>27,061</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>171,691</u>	<u>111,642</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	158,757	103,870
Non-pledged time deposits with original maturity of less than three months when acquired	21	13,414	8,009
Bank overdrafts	23	(480)	(237)
		<u>171,691</u>	<u>111,642</u>