

Note	2005 HK\$'000	2004 HK\$'000
<b>OPERATING ACTIVITIES</b>		
Profit from operations	19,837	2,425
Adjustments for:		
Interest income	(207)	(299)
Dividend income from unlisted investments	(312)	–
Depreciation and amortisation of property, plant and equipment	3,507	3,888
Amortisation of goodwill	214	429
Impairment loss recognised in respect of goodwill	3,645	–
Loss on disposal of property, plant and equipment	1,211	963
Loss on disposal of investment properties	–	2,053
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<b>Operating cash flow before movements in working capital</b>	<b>27,895</b>	9,459
Decrease in inventories	196	16,145
Increase in debtors, deposits and prepayments	(5,494)	(5,169)
Decrease in amount due from a related company	809	5,516
Decrease in creditors and accrued charges	(6,561)	(8,657)
Exchange adjustments	(58)	(199)
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<b>Net cash generated from operations</b>	<b>16,787</b>	17,095
Interest received	207	299
Dividend received from unlisted investments	312	–
Interest paid	(740)	(857)
Interest on finance leases	(8)	(7)
Tax paid:		
Hong Kong	(585)	(1,661)
Overseas	(132)	(87)
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<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>15,841</b>	14,782
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<b>INVESTING ACTIVITIES</b>		
Deposits for acquisitions of properties	(11,398)	–
Purchase of property, plant and equipment	(2,976)	(4,305)
Purchase of investments in securities	(998)	(10,502)
Other deposit received for disposal of investment properties and leasehold land and buildings	18,000	–
Proceeds from disposal of property, plant and equipment	314	3
Proceeds from disposal of investment properties	–	7,700
Proceeds from disposal of investments in securities	–	7,741
Decrease/(increase) in pledged bank deposits	280	(280)
Acquisition of subsidiaries	–	223
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<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>3,222</b>	580
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	2005 HK\$'000	2004 HK\$'000
<b>FINANCING ACTIVITIES</b>		
Proceeds from issue of shares on exercise of share options	1,916	–
Dividend paid	(4,496)	(1,904)
Repayment of bank loans	(8,192)	(3,056)
Repayment of obligations under finance leases	(66)	(40)
	<u>(10,838)</u>	<u>(5,000)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		
	<u>(10,838)</u>	<u>(5,000)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>8,225</b>	10,362
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>32,417</b>	22,030
Effect of foreign exchange rates changes	9	25
	<u>40,651</u>	<u>32,417</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		
	<u>40,651</u>	<u>32,417</u>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Bank balances and cash	40,651	32,473
Bank overdraft	–	(56)
	<u>40,651</u>	<u>32,417</u>