

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2005

	2005 HK\$'000	2004 HK\$'000 (restated)
<b>PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION</b>	66,722	44,794
<b>ADJUSTMENTS FOR:</b>		
Interest income	(1,778)	(743)
Bad debt recovered	–	(15)
Depreciation	4,536	3,611
(Gain)/loss on disposals of property, plant and equipment	(62)	371
Amortisation of goodwill	–	1,011
Amortisation of lease premium for land and land use rights	491	491
(Reversal of)/write-down of inventories	(899)	1,254
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	69,010	50,774
Increase in inventories	(5,669)	(2,731)
Increase in amount due from ultimate parent enterprise	(4)	(5)
Decrease/(increase) in prepayments, deposits and other receivables	4,797	(2,345)
(Increase)/decrease in trade receivables	(20,157)	3,358
Increase/(decrease) in trade payables	4,128	(481)
Increase/(decrease) in other payables and accruals	1,381	(912)
<b>CASH GENERATED FROM OPERATIONS</b>	53,486	47,658
Hong Kong profits tax paid	(5,716)	(160)
Overseas tax (paid)/refunded	(466)	69
<b>NET CASH INFLOW FROM OPERATIONS</b>	47,304	47,567
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposals of property, plant and equipment	140	3
Acquisition of property, plant and equipment	(6,142)	(6,274)
Acquisition of lease premium for land and land use rights	–	(5,510)
Interest received	1,778	743
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(4,224)	(11,038)
<b>NET CASH INFLOW BEFORE FINANCING</b>	43,080	36,529

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		(restated)
<b>NET CASH INFLOW BEFORE FINANCING</b>	43,080	36,529
<b>CASH FLOWS FROM FINANCING</b>		
Dividends paid	(16,640)	(10,880)
<b>NET CASH USED IN FINANCING</b>	(16,640)	(10,880)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	26,440	25,649
<b>EFFECT ON CUMULATIVE TRANSLATION ADJUSTMENT</b>	(5)	(34)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	84,299	58,684
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	110,734	84,299
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	110,734	84,299

The notes on pages 31 to 67 form an integral part of these financial statements.