

Consolidated Cash Flow Statement

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For the year ended 31 December 2005

| | Notes | Year ended 31/12/2005 HK\$ | Year ended 31/12/2004 HK\$ (restated) |
|--|-------|----------------------------------|--|
| OPERATING ACTIVITIES | | | |
| Profit for the year | | 60,581,303 | 52,305,520 |
| Adjustments for: | | | |
| Allowances for bad and doubtful debts | | – | 160,383 |
| Income tax expense | | 9,036,151 | 6,523,936 |
| Depreciation | | 2,984,391 | 2,470,794 |
| Loss on disposal of property, plant and equipment | | 42,997 | 54,101 |
| Share-based payment expense | | 4,077,665 | 832,177 |
| Interest income | | (2,439,217) | (433,184) |
| Operating cash flows before movements in working capital | | 74,283,290 | 61,913,727 |
| (Increase)/decrease in debtors, deposits and prepayments | | (1,350,590) | 573,521 |
| (Decrease)/increase in creditors, deposits received and accruals | | (11,947,162) | 6,276,008 |
| (Increase)/decrease in amounts due from related parties | | (233,773) | 238,568 |
| (Decrease)/increase in amounts due to related parties | | (2,059,103) | 2,006,291 |
| Cash generated from operations | | 58,692,662 | 71,008,115 |
| Tax paid | | (9,272,650) | (8,625,421) |
| Tax refunded | | – | 2,096,444 |
| Interest received | | 2,439,217 | 433,184 |
| NET CASH FROM OPERATING ACTIVITIES | | 51,859,229 | 64,912,322 |
| INVESTING ACTIVITIES | | | |
| Proceeds on disposal of property, plant and equipment | | 15,909 | 7,972 |
| Purchases of property, plant and equipment | | (3,615,843) | (3,404,593) |
| Acquisition of new subsidiaries | 23 | 1,383,122 | – |
| NET CASH USED IN INVESTING ACTIVITIES | | (2,216,812) | (3,396,621) |
| FINANCING ACTIVITIES | | | |
| Dividend paid | | (26,589,078) | (9,905,539) |
| Proceeds on issue of shares | | 10,692,500 | 102,579,960 |
| NET CASH FROM FINANCING ACTIVITIES | | (15,896,578) | 92,674,421 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | 33,745,839 | 154,190,122 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | | 247,305,655 | 92,517,281 |
| EFFECT OF FOREIGN EXCHANGE RATE CHANGES | | 2,893,370 | 598,252 |
| CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTED BY BANK BALANCES AND CASH | 24 | 283,944,864 | 247,305,655 |