

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2005

<i>Notes</i>	<b>2005</b> <b>HK\$'000</b>	Restated 2004 <b>HK\$'000</b>
<b>Cash flows from operating activities</b>		
Loss before income tax	<b>(364)</b>	(12,732)
Adjustments for:		
Depreciation and amortisation of property, plant and equipment	<b>6,199</b>	6,717
Amortisation of prepaid land lease payments	<b>152</b>	152
Amortisation of goodwill	<b>–</b>	269
Impairment loss on goodwill	<b>261</b>	–
Amortisation of production and distribution rights	<b>–</b>	1,000
Impairment loss on production and distribution rights	<b>–</b>	3,667
Provision for slow moving inventories	<b>3,131</b>	2,191
Bad debts written-off	<b>162</b>	49
Revaluation surplus on leasehold land and buildings	<b>(147)</b>	(307)
Write off of property, plant and equipment	<b>29</b>	25
Loss on disposal of		
– investment properties	<b>–</b>	440
– other property, plant and equipment	<b>–</b>	121
Share of loss of an associate	<b>335</b>	65
Share of loss of a jointly controlled entity	<b>869</b>	487
Gains on disposal of subsidiaries	<b>(2,740)</b>	(69)
Loss on dissolution of a subsidiary	<b>–</b>	448
Interest expenses	<b>2,309</b>	2,379
Interest income	<b>(344)</b>	(242)
Operating profit before working capital changes	<b>9,852</b>	4,660
(Increase)/Decrease in inventories	<b>(3,681)</b>	3,343
(Increase)/Decrease in trade and bills receivables	<b>(10,724)</b>	4,937
Decrease in prepayment, deposits and other receivables	<b>486</b>	1,009
Increase in amount due from an associate	<b>(1,362)</b>	(325)
(Decrease)/Increase in trust receipt loans	<b>(1,193)</b>	715
Increase/(Decrease) in trade and bills payables	<b>3,679</b>	(818)
Increase in other payables and accruals	<b>166</b>	841
Cash (used in)/generated from operations	<b>(2,777)</b>	14,362
Interest paid	<b>(2,279)</b>	(2,285)
Interest paid in finance lease payments	<b>(30)</b>	(94)
Income tax refunded	<b>37</b>	–
Income tax paid	<b>(96)</b>	(113)
<i>Net cash (used in)/generated from operating activities</i>	<b>(5,145)</b>	11,870

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For the year ended 31 December 2005

	Notes	2005 HK\$'000	Restated 2004 HK\$'000
<b>Cash flows from investing activities</b>			
Payments to acquire property, plant and equipment		(10,911)	(5,189)
Proceeds from disposal of investment properties		–	4,077
Proceeds from disposal of other property, plant and equipment		–	1,288
Decrease in financial assets at fair value through profit and loss/short term investments		20	10,737
Capital contribution to a jointly controlled entity		–	(14,054)
Acquisition of a subsidiary, net of cash acquired	31(a)	529	–
Proceeds from disposal of subsidiaries, net of cash disposed of	31(b)	2,041	91
Decrease in amount due from a related company		2,900	–
Interest received		344	242
<b>Net cash used in investing activities</b>		<b>(5,077)</b>	<b>(2,808)</b>
<b>Cash flows from financing activities</b>			
New bank loans		28,368	15,888
Repayment of bank loans		(26,699)	(16,841)
Repayment of capital element of finance lease payables		(640)	(640)
<b>Net cash generated from/(used in) financing activities</b>		<b>1,029</b>	<b>(1,593)</b>
<b>Net (decrease)/increase in cash at banks and in hand</b>		<b>(9,193)</b>	<b>7,469</b>
<b>Cash at banks and in hand at 1 January</b>		<b>56,616</b>	<b>49,147</b>
<b>Effect of foreign exchange rate changes, on cash held</b>		<b>611</b>	<b>–</b>
<b>Cash at banks and in hand at 31 December</b>		<b>48,034</b>	<b>56,616</b>