

## Consolidated Cash Flow Statement

Year ended 31 December 2005

	<i>Notes</i>	<b>2005</b> <b>HK\$'000</b>	2004 HK\$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>6,558</b>	17,596
Adjustments for:			
Finance costs	8	<b>610</b>	490
Interest income	6	<b>(406)</b>	(459)
Dividend income from listed investments	6	<b>(17)</b>	(80)
Share of profits and losses of associates		<b>(675)</b>	307
Amortisation of goodwill on acquisition of associates		–	805
Depreciation	7	<b>9,802</b>	8,781
Recognition of prepaid land premiums	7	<b>251</b>	241
Loss/(gain) on disposal of items of property, plant and equipment, net	7	<b>(236)</b>	262
Realised gain on equity investments at fair value through profit or loss/short term investments	6	<b>(365)</b>	(710)
Provision against slow-moving inventories	7	<b>4,161</b>	6,743
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Operating profit before working capital changes		<b>19,683</b>	33,976
Decrease/(increase) in inventories		<b>8,860</b>	(48,054)
Decrease/(increase) in trade receivables		<b>26,772</b>	(23,449)
Decrease/(increase) in prepayments, deposits and other receivables		<b>680</b>	(5,922)
Decrease in amount due from a related company		–	14
Decrease in loan receivable		<b>180</b>	2,780
Increase/(decrease) in trade payables		<b>(22,287)</b>	34,165
Increase/(decrease) in other payables and accruals		<b>2,266</b>	(6,219)
Exchange adjustments		<b>1,296</b>	(17)
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Cash generated from/(used in) operations		<b>37,450</b>	(12,726)
Interest received		<b>406</b>	459
Interest paid		<b>(610)</b>	(490)
Hong Kong profits tax refunded/(paid)		<b>324</b>	(1,089)
Overseas taxes paid		<b>(1,315)</b>	(613)
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Net cash inflow/(outflow) from operating activities		<b>36,255</b>	(14,459)
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Net cash inflow/(outflow) from operating activities		<b>36,255</b>	(14,459)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	15	<b>(8,546)</b>	(12,309)
Proceeds from disposal of items of property, plant and equipment		<b>741</b>	–
Purchases of equity investments at fair value			
through profit or loss/short term investments		<b>(10,084)</b>	(9,264)
Proceeds from disposal of equity investments at fair value			
through profit or loss		<b>10,449</b>	9,974
Dividend income from listed investments	6	<b>17</b>	80
Advance to an associate	18	<b>–</b>	(1,959)
Repayment from an associate	18	<b>1,959</b>	–
Net cash outflow from investing activities		<b>(5,464)</b>	(13,478)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		<b>14,416</b>	10,000
Repayment of bank loans		<b>(29,946)</b>	(14,470)
Advance of a loan from an ex-director	32(b)	<b>3,500</b>	–
Repayment of a loan from an ex-director	32(b)	<b>(3,500)</b>	–
Dividend paid	13	<b>–</b>	(4,480)
Repurchase of shares	27	<b>(786)</b>	–
Net cash outflow from financing activities		<b>(16,316)</b>	(8,950)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<b>14,475</b>	(36,887)
Cash and cash equivalents at beginning of year		<b>19,462</b>	56,349
Effect of foreign exchange rate changes, net		<b>120</b>	–
CASH AND CASH EQUIVALENTS AT END OF YEAR		<b>34,057</b>	19,462
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	23	<b>26,243</b>	11,406
Time deposits with original maturity of less than three months when acquired	23	<b>7,814</b>	8,056
		<b>34,057</b>	19,462