

Consolidated Cash Flow Statement

For the year ended 31 December 2005

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	2005 HK\$'000	2004 HK\$'000 (Restated)
Cash flows from operating activities		
Profit before taxation	18,075	16,657
Adjustments for:		
Interest expenses	11,021	9,803
Interest income	(1,174)	(513)
Depreciation and amortisation	8,520	8,835
Loss on disposal on property, plant and equipment	155	48
Write-off of goodwill from acquisition of additional interest in a subsidiary	-	33
Operating profit before working capital changes	36,597	34,863
Changes in working capital:		
Inventories	(1,699)	(12,507)
Trade and other receivables	(35,879)	10,979
Trade and other payables	(3,963)	(14,034)
Cash (used in)/generated from operations	(4,944)	19,301
Interest paid	(11,021)	(9,803)
Hong Kong Profits Tax paid	(3,576)	(206)
PRC Enterprise Income Tax paid	(3,493)	(6,071)
Net cash (used in)/generated from operating activities	(23,034)	3,221
Cash flows from investing activities		
Decrease/(increase) in pledged bank deposits	9,755	(9,182)
Purchase of property, plant and equipment	(640)	(3,741)
Acquisition of additional interest in a subsidiary	-	(4,406)
Dividend paid	-	(4,000)
Repayment to a minority shareholder of a subsidiary	-	(1,163)
Decrease in loan receivable	599	5,487
Interest received	1,174	513
Proceeds from disposal of property, plant and equipment	230	49
Net cash generated from/(used in) investing activities	11,118	(16,443)

Consolidated Cash Flow Statement *(Continued)*

For the year ended 31 December 2005

	2005 HK\$'000	2004 HK\$'000 (Restated)
Cash flows from financing activities		
Borrowings raised	138,236	185,237
Repayment of borrowings	(138,497)	(160,183)
Capital element of finance leases	(1,337)	(6,287)
Net cash (used in)/generated from financing activities	(1,598)	18,767
Net (decrease)/increase in cash and cash equivalents	(13,514)	5,545
Effect of foreign exchange rate changes	(791)	–
Cash and cash equivalents at beginning of the year	24,721	19,176
Cash and cash equivalents at end of the year	10,416	24,721
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	15,072	24,817
Bank overdrafts	(4,656)	(96)
	10,416	24,721