



Consolidated Cash Flow Statement

For the year ended 31 December 2005

	2005 HK\$'000	2004 HK\$'000 (restated)
OPERATING ACTIVITIES		
(Loss) profit before tax	(9,454)	19,918
Adjustments for:		
Share of result of an associate	5	(3,272)
Amortisation of intangible assets	1,826	621
Depreciation of property, plant and equipment	8,508	6,408
Amortisation of prepaid lease payments	21	20
Gain on disposal of property, plant and equipment	(4,139)	(281)
Unrealised profit on sales to an associate	(661)	681
Allowances for doubtful debts	298	2,389
Interest income from an associate	(636)	(636)
Interest income from banks	(198)	(240)
Interest expenses	3,773	1,416
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Operating cash flows before movements in working capital	(657)	27,024
Decrease (increase) in inventories	801	(17,265)
Increase in trade and other receivables	(24,818)	(3,515)
(Increase) decrease in deposits and prepayments	(11,524)	14,972
Decrease (increase) in trade receivables from an associate	9,029	(31,071)
(Decrease) increase in trade and other payables	(18,125)	21,367
(Decrease) increase in deposits and accrued expenses	(2,511)	213
Increase in amounts due to companies owned by a former director	-	8,698
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NET CASH (USED IN) FROM OPERATING ACTIVITIES	(47,805)	20,423
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(27,781)	(11,971)
Purchase of intangible assets and development costs paid	(9,814)	-
Proceeds on disposal of property, plant and equipment	1,152	1,163
Payment for prepaid lease	(498)	-
Dividend income from an associate	6,906	-
Interest received from an associate	636	636
Interest received from banks	198	240
Decrease (increase) in loan to an associate	1,733	(1,826)
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NET CASH USED IN INVESTING ACTIVITIES	(27,468)	(11,758)

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For the year ended 31 December 2005

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	2005 HK\$'000	2004 <i>HK\$'000</i> (restated)
FINANCING ACTIVITIES		
New bank borrowings raised	169,151	–
Repayments of bank borrowings	(84,531)	(15,304)
Decrease (increase) in pledged bank deposits	13,827	(6,321)
Dividends paid	(8,041)	(6,330)
Interest paid	(3,773)	(1,416)
Decrease in other payable	(10,542)	–
Issue of shares	–	79,460
Share issue expenses	–	(2,160)
Repurchase of shares	–	(29,908)
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NET CASH FROM FINANCING ACTIVITIES	76,091	18,021
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NET INCREASE IN CASH AND CASH EQUIVALENTS	818	26,686
CASH AND CASH EQUIVALENTS AT 1 JANUARY	60,823	35,338
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(501)	(1,201)
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CASH AND CASH EQUIVALENTS AT 31 DECEMBER	61,140	60,823
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ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	61,140	60,823
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