

Consolidated Cash Flow Statement

Year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(7,908)	(10,355)
Adjustments for:			
Interest income	7	(233)	(272)
Interest expenses	7	11,143	15,193
Depreciation	6	22,548	25,765
Amortisation of prepaid land lease payments	6	404	404
Loss/(gain) on disposal of items of property, plant and equipment, net	6	110	(113)
Gain on disposal of subsidiaries	6	(452)	–
Equity-settled share option expenses	6	222	–
Operating profit before working capital changes		25,834	30,622
Decrease in stocks		11,733	11,576
Decrease/(increase) in accounts receivable		(9,674)	4,119
Decrease in prepayments, deposits and other receivables		23	28,521
Increase/(decrease) in accounts payable		(7,358)	7,367
Decrease in bills payable		(7,364)	(686)
Decrease in other payables and accrued charges		(4,427)	(25,425)
Cash generated from operations		8,767	56,094
Interest received		233	272
Tax paid		(3,501)	(2,975)
Net cash inflow from operating activities		5,499	53,391
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(2,399)	(2,697)
Proceeds from disposal of items of property, plant and equipment		1,370	453
Disposal of subsidiaries	30	4,700	–
Increase in trademarks		(285)	(182)
Net cash inflow/(outflow) from investing activities		3,386	(2,426)

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Year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid	7	(11,143)	(15,193)
New bank loans		32,203	11,000
Repayment of bank loans		(47,977)	(61,325)
Decrease in pledged cash deposits		4,718	205
Issue of shares, including share premium		1,819	27
Share issue expenses		(240)	–
Net cash outflow from financing activities		(20,620)	(65,286)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		(11,735)	(14,321)
Cash and cash equivalents at 1 January		36,287	50,608
CASH AND CASH EQUIVALENTS AT 31 DECEMBER			
		24,552	36,287
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		24,552	36,287