

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December 2005

	2005 HK\$'000	2004 HK\$'000 (Restated)
OPERATING ACTIVITIES		
Profit from operating activities before tax	11,640	30,460
Adjustments for:		
Allowance for bad and doubtful receivables, net	2,217	5,934
Write-back on allowance for obsolete and slow moving inventories	(658)	(2,514)
Depreciation and amortisation of property, plant and equipment	40,694	42,288
Amortisation of prepaid lease payment	966	966
Loss (gain) on disposal of property, plant and equipment	740	(1)
Impairment loss on available-for-sale financial assets/ Investment securities	233	108
Interest income	(466)	(418)
Interest expense	10,271	10,743
Operating cash flows before movements in working capital	65,637	87,566
Decrease in inventories	11,557	74,605
Increase in trade and other receivables	(107,477)	(45,599)
Decrease in amounts due from minority shareholders of subsidiaries	-	1,156
Increase (decrease) in trade and other payables	43,806	(33,813)
(Decrease) increase in bills payable	(15,486)	11,980
Increase in amounts due to minority shareholders of subsidiaries	1,020	145
Cash (used in) generated from operations	(943)	96,040
Hong Kong profits tax paid	-	(21)
PRC enterprise income tax paid	(4,566)	(2,929)
NET CASH (USED IN) GENERATED FROM OPERATING ACTIVITIES	(5,509)	93,090
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,456)	(16,114)
Interest received	466	419
Decrease in pledged bank deposits	3,124	7,318
Proceeds from disposal of property, plant and equipment	2	6
NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES	2,136	(8,371)

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For the year ended 31st December 2005

	2005	2004
	HK\$'000	HK\$'000 (Restated)
FINANCING ACTIVITIES		
Repayment of borrowings	(100,130)	(180,791)
Dividends paid to minority shareholders of subsidiaries	(5,292)	(5,292)
Interest paid	(10,271)	(10,743)
Bank borrowings raised	123,059	108,985
Net borrowing from a director	1,561	6,092
	8,927	(81,749)
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES		
	5,554	2,970
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	25,298	22,328
CASH AND CASH EQUIVALENTS AT 1ST JANUARY		
	17	–
	30,869	25,298
CASH AND CASH EQUIVALENTS AT 31ST DECEMBER,		
ANALYSIS OF THE BALANCE OF CASH AND		
CASH EQUIVALENTS		
Bank balances and cash	35,816	26,768
Bank overdraft	(4,947)	(1,470)
	30,869	25,298