

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2005

	2005 HK\$'000	2004 <i>HK\$'000</i> (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	47,395	57,389
Adjustments for:		
(Reversal of allowance) allowance for bad and doubtful debts	(4,463)	9,681
Bank interest income	(5,729)	(2,280)
Depreciation and amortisation	9,354	8,020
Interest expenses	704	–
Share of result of associates	(5,211)	–
Unrealised holding gain arising on fair value changes of investments held for trading	(3,953)	–
Losses arising from changes in fair value of conversion option derivative	1,592	–
Gain arising from change in fair value of investment property	(1)	–
Gain arising from redemption of convertible note receivable	(240)	–
Imputed interest income from convertible note receivable	(418)	–
Loss (gain) on disposals of property, plant and equipment	84	(150)
Unrealised holding gain on other investments	–	(14,886)
Allowance for obsolete inventories	–	3,339
Operating cash flows before movements in working capital	39,114	61,113
Increase in inventories	(12,179)	(4,960)
(Increase) decrease in trade and other receivables	(18,005)	108,052
Decrease in investments held for trading	37,968	–
Increase in trade and other payables	2,716	11,975
Increase in other investments	–	(37,340)
Increase in convertible note receivable	–	(5,500)
Increase in deposits with brokerage companies	(30,736)	(2,900)
Cash from operations	18,878	130,440
Hong Kong Profits Tax paid	(4,674)	(6,733)
Interest paid	(404)	–
NET CASH FROM OPERATING ACTIVITIES	13,800	123,707

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	NOTE	2005 HK\$'000	2004 HK\$'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries	39	(31,144)	–
Acquisition of associates		(30,549)	–
Increase in pledged bank deposits		(2,000)	–
Purchase of investment property		(44,669)	–
Purchase of property, plant and equipment		(42,028)	(5,884)
Loan to an associate		(3,000)	–
Interest received from bank		5,729	2,280
Proceeds on disposals of property, plant and equipment		35	150
NET CASH USED IN INVESTING ACTIVITIES		(147,626)	(3,454)
CASH OUTFLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(15,758)	(13,788)
Loan from minority shareholders of a subsidiary		3,394	–
Repayment of bank borrowings		(542)	–
NET CASH USED IN FINANCING ACTIVITIES		(12,906)	(13,788)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(146,732)	106,465
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		(277)	–
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		307,058	200,593
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		160,049	307,058
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS			
Short-term bank deposits		146,413	303,735
Bank balances and cash		13,636	3,323
		160,049	307,058