

Consolidated Cash Flow Statement

For the year ended 31 December 2005

	2005 HK\$'000	2004 HK\$'000 (restated)
Operating activities		
Profit before taxation	11,332	6,103
Finance costs	6,480	5,137
Interest income	(604)	(85)
Increase in fair value/revaluation increase in investment properties	(880)	(239)
Decrease in fair value of investment held for trading	2	–
Unrealised gain on investment in securities	–	(12)
Depreciation of property, plant and equipment	1,655	1,136
Amortisation of technology know-how	2,730	2,730
Allowance for slow moving inventories	4,083	467
Allowance for doubtful debts	907	399
Amortisation of goodwill	–	323
Release of negative goodwill	–	(41)
(Gain) loss on disposal of property, plant and equipment	(2,194)	165
Gain on disposal of an available-for-sale investment	(64)	–
Gain on derecognition of forward contracts	(2,550)	–
Operating cash flows before movements in working capital	20,897	16,083
Decrease in inventories	4,497	12,560
(Increase) decrease in debtors, deposits and prepayments	(42,187)	2,543
(Decrease) increase in creditors and accrued charges	(14,858)	2,113
Increase (decrease) in bills payables	5,528	(11,934)
Net cash (used in) generated from operations	(26,123)	21,365
Income taxes refund	1,124	906
Net cash (used in) from operating activities	(24,999)	22,271
Investing activities		
Increase in pledged bank deposits	(11,781)	(2,734)
Purchase of property, plant and equipment	(4,616)	(878)
Purchase of investment in securities	–	(3,954)
Proceeds on disposal of property, plant and equipment	5,400	228
Proceeds on disposal of an available-for-sale investment	1,077	–
Interest received	604	85
Proceeds on derecognition of forward contracts	400	–
Proceeds on maturity of investment in securities	–	1,950
Net cash used in investing activities	(8,916)	(5,303)

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For the year ended 31 December 2005

	2005 HK\$'000	2004 HK\$'000 (restated)
Financing activities		
Repayment of bank loans	(42,417)	(14,884)
Decrease in other borrowings	(13,005)	(4,861)
Interest paid	(6,480)	(5,137)
(Decrease) increase in discounting advances drawn on trade debtors	(1,729)	1,948
Repayment of obligations under a finance lease	(48)	(94)
Share issue expenses	–	(288)
New bank loans raised	40,987	15,964
Increase (decrease) in trust receipt loans	38,623	(9,261)
Increase in discounted bills receivables with full recourse	858	–
Proceeds on issue of shares	–	10,074
Net cash generated from (used in) in financing activities	16,789	(6,539)
Net (decrease) increase in cash and cash equivalents	(17,126)	10,429
Cash and cash equivalents at 1 January	34,019	23,592
Effect of change in foreign exchange rate	24	(2)
Cash and cash equivalents at 31 December	16,917	34,019
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	18,719	35,482
Bank overdrafts	(1,802)	(1,463)
	16,917	34,019