

Consolidated Cash Flow Statement

For the year ended 31 December 2005

	2005 HK\$'000	2004 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	38,717	(7,582)
Adjustments for:		
Finance costs	13,057	13,567
Share of profits less losses of associates	(8,271)	(2,791)
Gains arising from disposal of interests in associates	–	(10,900)
Interest income	(371)	(66)
Deficit on revaluation	542	–
Loss/(gain) on disposal of property, plant and equipment	6	(29)
Depreciation	11,355	12,427
Amortisation of land use rights	493	491
Provision for doubtful debts	1,571	–
Provision against inventories	1,942	238
Exchange differences	(2,673)	(143)
Waiver of debt and accrued interest under a Loan Restructuring Agreement	(67,662)	–
Operating (loss)/profit before working capital changes	(11,294)	5,212
(Increase)/decrease in trade receivables	(1,378)	2,675
Decrease in bills receivable	260	1,081
(Increase)/decrease in prepayments, deposits and other receivables	(1,052)	490
(Increase) in inventories	(1,552)	(1,900)
Decrease/(increase) in net amounts due to associates	(2,967)	3,648
(Increase) in amount due to a related company	11,023	–
(Decrease) in trade payables	(4,471)	(8,931)
Increase/(Decreases) in other payables and accruals	4,984	(7,313)
(Decrease) in provision for long service payments	(203)	(111)
CASH (USED IN)/GENERATED FROM OPERATIONS	(6,650)	(5,149)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	371	66
Dividends received from associates	4,000	5,000
Purchase of property, plant and equipment	(5,554)	(3,000)
Proceeds from disposal of property, plant and equipment	–	211
Proceeds from disposal of interests in associates	–	4,700
NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES	(1,183)	6,977

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NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(7,833)	1,828
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	38,807	36,979
CASH AND CASH EQUIVALENTS AT END OF YEAR	30,974	38,807
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	17,882	38,429
Time deposits with original maturity of less than three months when acquired	13,092	378
	30,974	38,807

The notes on pages 39 to 76 form an integral part of these financial statements.