

## Consolidated Cash Flow Statement

For the year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
<b>Operating activities</b>			
Profit before taxation		6,912	24,407
Adjustments for:			
Discount on acquisition of a subsidiary		(28)	–
Interest income		(686)	(143)
Dividend income from listed investments		(144)	(61)
Depreciation of property, plant and equipment		6,082	6,949
Release of prepaid lease payment		238	239
Finance costs		750	896
Loss on disposals of property, plant and equipment		–	8
Gain on derecognition of available for sale investments		(250)	–
Reversal of revaluation decrease on leasehold land and buildings previously charged to income statement		(895)	(554)
Allowance for doubtful debts		1,758	–
Allowance for obsolete inventories		546	159
Operating cash flows before movements in working capital		14,283	31,900
Increase in inventories		(3,448)	(10,160)
Increase in debtors, deposits and prepayments		(18,957)	(13,155)
Increase in creditors and accruals		4,209	1,283
Cash (used in) generated from operations		(3,913)	9,868
Income tax paid		(6)	(5,137)
<b>Net cash (used in) generated     from operating activities</b>		<b>(3,919)</b>	4,731
<b>Investing activities</b>			
Interest received		686	143
Dividend income from listed investments		144	61
Proceeds on derecognition of available-for-sale investments		3,740	–
Purchases of property, plant and equipment		(12,040)	(15,390)
Purchases of other assets		–	(2,074)
Purchases of investments in securities		–	(5,511)
Advances of loan receivables		(7,957)	(7,860)
Repayments of loan receivables		9,712	–
Proceeds from disposal of property, plant and equipment		–	3
Acquisition of a subsidiary	30	382	–
Disposal of a subsidiary	31	7	(4)
<b>Net cash used in investing activities</b>		<b>(5,326)</b>	(30,632)

**Consolidated Cash Flow Statement** (Continued)

For the year ended 31 December 2005

	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i> (Restated)
<b>Financing activities</b>		
New bank loans raised	<b>30,908</b>	10,565
Repayment of bank loans	<b>(31,073)</b>	(19,297)
Repayment of obligations under a finance lease	<b>(165)</b>	(156)
Interest paid	<b>(733)</b>	(869)
Finance lease charges paid	<b>(17)</b>	(27)
Dividends paid	<b>(1,629)</b>	(14,880)
Proceeds from issue of shares	–	72,000
Share issue expenses	–	(2,304)
Payment on repurchase of shares	–	(300)
<b>Net cash (used in) generated from financing activities</b>	<b>(2,709)</b>	44,732
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(11,954)</b>	18,831
<b>Cash and cash equivalents at beginning of the year</b>	<b>36,800</b>	17,969
<b>Effect of foreign exchange rate changes</b>	<b>55</b>	–
<b>Cash and cash equivalents at end of the year</b>	<b>24,901</b>	36,800
<b>Analysis of the balances of cash and cash equivalents</b>		
Bank balances and cash	<b>25,086</b>	36,800
Bank overdrafts	<b>(185)</b>	–
	<b>24,901</b>	36,800