

Consolidated Cash Flow Statement For the year ended 31 December 2005

	2005 HK\$'000	2004 (restated) HK\$'000
Cash flows from operating activities		
Profit before taxation	79,202	81,076
Adjustment for:		
Interest income	(693)	(856)
Amortisation of lease premium for land	183	62
Amortisation of intangible assets	5,328	–
Depreciation	6,382	3,015
Release of negative goodwill	–	(161)
Reversal of revaluation on lease premium for land	(712)	–
Operating profit before working capital changes	89,690	83,136
Increase in inventories	(1,223)	(103)
(Increase)/decrease in trade receivable	(33,825)	17,362
Decrease/(increase) in prepayments, deposits and other receivable	12,853	(9,878)
Increase/(decrease) in trade payable	9,026	(5,500)
Increase in accruals and other payables	3,781	5,894
Cash generated from operation	80,302	90,911
PRC enterprise income tax paid	(11,533)	(12,882)
Net cash from operating activities	68,769	78,029
Investing activities		
Purchase of property, plant and equipment	(47,174)	(20,570)
Addition to lease premium for land	(630)	(1,043)
Purchase of intangible asset	(65,962)	(11,132)
Interest received	693	856
Net cash used in investing activities	(113,073)	(31,889)
(Decrease)/increase in cash and cash equivalents	(44,304)	46,140
Cash and cash equivalents at beginning of the year	180,605	134,465
Effect of foreign exchange rate changes, net	3,026	–
Cash and cash equivalents at end of the year	139,327	180,605
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	139,327	180,605

The notes on pages 40 to 73 form an integral part of these financial statements.