

Consolidated Cash Flow Statement

For the year ended 31 December 2005

	2005 HK\$'000	2004 HK\$'000 <i>(Restated)</i>
OPERATING ACTIVITIES		
Profit before tax	13,993	80,394
Adjustments for:		
Finance costs	5	742
Interest income	(1,962)	(536)
Gain on derivative financial instruments	(504)	—
Dividend income from available-for-sale investments	(32)	—
Depreciation and amortisation of property, plant and equipment	33,112	31,544
Amortisation of intellectual property rights	5,250	5,309
Amortisation of prepaid lease payments	870	924
Allowance for bad and doubtful debts	6,958	2,618
Deficit (surplus) arising on revaluation of land and buildings	975	(6,674)
Loss on dissolution of subsidiaries	—	198
Loss (gain) on disposal of property, plant and equipment	78	(169)
Unrealised holding loss on other investments	—	9,700
Impairment loss on intellectual property rights	8,540	—
Impairment loss on loan to an associate	3,600	—
Negative goodwill released to income	—	(420)
Surplus arising on revaluation of investment properties	(3,700)	(4,500)
Operating cash flows before movements in working capital	67,183	119,130
Decrease (increase) in inventories	23,375	(19,592)
(Increase) decrease in trade and other receivables	(1,854)	99,298
Decrease in trade and other payables	(31,819)	(11,064)
Cash generated from operations	56,885	187,772
Hong Kong Profits Tax paid	(5,059)	(5,394)
Taxation in other jurisdictions paid	(4,330)	(2,984)
NET CASH FROM OPERATING ACTIVITIES	47,496	179,394

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	<i>Note</i>	2005 HK\$'000	2004 <i>HK\$'000</i> <i>(Restated)</i>
INVESTING ACTIVITIES			
Interest received		1,962	536
Proceeds on disposal of property, plant and equipment		200	1,646
Dividend income from available-for-sale investments		32	—
Purchase of property, plant and equipment		(9,528)	(24,872)
Dissolution of subsidiaries	33	—	(532)
NET CASH USED IN INVESTING ACTIVITIES		(7,334)	(23,222)
FINANCING ACTIVITIES			
Dividends paid		(36,105)	(50,599)
Dividends paid to a minority shareholder of a subsidiary		(1,290)	(8,640)
Interest paid		(5)	(742)
Repayment of bank loans		—	(71,904)
Repurchase of shares		—	(934)
Bank loans raised		—	56,648
NET CASH USED IN FINANCING ACTIVITIES		(37,400)	(76,171)
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,762	80,001
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		175,559	95,070
Effect of foreign exchange rate changes		102	488
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
represented bank balances and cash		178,423	175,559