

Consolidated Cash Flow Statement

Year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		53,811	51,823
Adjustments for:			
Finance costs	7	269	71
Interest income	5	(620)	(503)
Gain on disposal of equity investments at fair value through profit or loss/short term listed investments	5	(773)	(1,091)
Depreciation	6	25,137	19,924
Fair value loss on equity investments at fair value through profit or loss	6	500	–
Amortisation of goodwill	6	–	4,122
Impairment of goodwill	6	3,558	6,065
Provision for doubtful debts	6	457	2,500
Write-off of items of property, plant and equipment	6	326	5,911
Surplus on revaluation of leasehold land and buildings	6	(256)	(346)
Operating profit before working capital changes		82,409	88,476
Increase in inventories		(35,944)	(10,484)
(Increase)/decrease in trade receivables		(910)	5,235
Decrease/(increase) in prepayments, deposits and other receivables		1,536	(7,242)
Increase in trade and bills payables		20,032	7,549
Increase/(decrease) in other payables and accruals		1,413	(1,690)
Increase/(decrease) in an amount due to a related company		7	(117)
Cash generated from operations		68,543	81,727
Interest received		620	503
Interest paid		(269)	(71)
Dividends paid		(9,810)	(24,526)
Corporate income tax paid		(1,490)	(514)
Net cash inflow from operating activities		57,594	57,119
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	14	(65,736)	(55,945)
Proceeds from disposal of short term investments		8,056	3,637
Purchases of short term investments		(8,210)	(2,707)
Acquisition of a subsidiary	27	(24,834)	–
Decrease in time deposits		1,556	–
Net cash outflow from investing activities		(89,168)	(55,015)

Consolidated Cash Flow Statement (continued)

Year ended 31 December 2005

	<i>Notes</i>	2005 HK\$'000	2004 <i>HK\$'000</i>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank loans		2,000	–
Repayment of bank loans		(2,000)	–
Proceeds from other loans	<i>31(b)</i>	10,000	–
Repayment of other loans	<i>31(b)</i>	(10,000)	–
Net cash flow from financing activities		–	–
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
		(31,574)	2,104
Cash and cash equivalents at beginning of year		83,629	81,771
Effect of foreign exchange rate changes, net		1,246	(246)
CASH AND CASH EQUIVALENTS AT END OF YEAR		53,301	83,629
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	<i>21</i>	49,357	73,971
Non-pledged time deposits with original maturity of less than three months when acquired	<i>21</i>	3,944	9,658
		53,301	83,629