

32 Consolidated Cash Flow Statement

For the year ended 31st December, 2005

	2005 HK\$'000	2004 HK\$'000 (restated)
Operating activities		
Profit before taxation	53,470	48,395
Adjustments for:		
Finance costs	2,014	1,419
Shares issue expenses	5,570	–
Share-based payment expense	1,919	–
Share of results of an associate	2,900	38
Impairment loss on goodwill	70	–
Amortisation of goodwill	–	131
Depreciation	13,374	10,261
Revaluation increase in respect of investment properties	–	(1,463)
Interest income	(935)	(54)
Loss on disposal of property, plant and equipment	218	429
Loss on disposal of investment properties	74	–
Release of negative goodwill	–	(1,196)
Operating cash flows before movements in working capital	78,674	57,960
(Increase) decrease in inventories	(128,319)	15,408
(Increase) decrease in trade debtors, deposits and prepayments	(198,929)	2,140
Decrease in amount due from a joint venture partner	–	274
Decrease in amounts due from related companies	4	25,680
Increase (decrease) in trade creditors and accrued charges	235,140	(50,885)
(Decrease) increase in bills payable	(6,594)	1,472
Increase in amount due to a related company	16,179	–
Decrease in amount due to an associate	–	(2,290)
(Decrease) increase in amount due to a joint venture partner	(2,331)	2,331
Cash (used in) generated from operations	(6,176)	52,090
Hong Kong Profits Tax paid	(4,615)	(7,795)
Overseas tax refunded (paid)	398	(891)
Interest paid	(2,014)	(1,419)
Net cash (used in) from operating activities	(12,407)	41,985

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For the year ended 31st December, 2005

	2005 HK\$'000	2004 HK\$'000 (restated)
Investing activities		
Purchases of property, plant and equipment	(19,552)	(19,434)
Proceeds on disposal of property, plant and equipment	8	2,170
Proceeds on disposal of investment properties	4,126	–
Increase in pledged bank deposits	(7,824)	(1,101)
Interest received	935	54
Net cash used in investing activities	(22,307)	(18,311)
Financing activities		
Repayment of obligations under finance leases	(2,532)	(5,095)
Proceeds on issue of shares	83,400	–
Shares issue expenses	(13,725)	–
New bank borrowings raised	24,298	28,770
Net other borrowings repaid	–	(33)
Repayment of bank borrowings	(9,546)	(16,592)
Dividends paid	(24,500)	(26,000)
Dividends paid to minority interests	(972)	(10,513)
Net cash from (used in) financing activities	56,423	(29,463)
Net increase (decrease) in cash and cash equivalents	21,709	(5,789)
Effect of foreign exchange rate changes	(72)	368
Cash and cash equivalents at beginning of the year	50,099	55,520
Cash and cash equivalents at end of the year, representing bank balances and cash	71,736	50,099