

Consolidated Cash Flow Statement

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profits/(loss) before tax		(18,173)	9,883
Adjustments for:			
Finance costs	7	28,514	21,832
Change in fair value of investment properties	16	(14,242)	–
Interest income	5	(1,716)	(1,150)
Negative goodwill recognised as income	5	–	(10)
Gain on disposal of a long term investment	5	–	(851)
Loss on disposal of items of property, plant and equipment	6	341	2,164
Impairment on interest in an associate	6	255	–
Impairment on intangible assets	6	491	–
Write-off of intangible assets	6	–	4
Write-down of inventories to net realisable value	6	1,314	–
Depreciation	6	43,541	34,788
Recognition of prepaid land lease payments	17	1,382	1,246
Amortisation of intangible assets	6	10,611	20,581
Amortisation of goodwill	6	–	658
Loss on disposal of subsidiaries, net	6	–	2,902
Provision for impairment	6	2,418	5,049
Impairment on a disposal group	6	1,776	–
Operating profit before working capital changes		56,512	97,096
Increase in inventories		(7,852)	(73,613)
Increase in accounts and bills receivable		(13,970)	(49,133)
Decrease in prepayments, deposits and other receivables		2,584	4,710
Increase/(decrease) in accounts and bills payable		(23,897)	56,939
Increase/(decrease) in other payables and accruals		(27,710)	46,638
Cash generated from/(used in) operations		(14,333)	82,637
Taxes paid		(3,264)	(2,973)
Net cash inflow/(outflow) from operating activities		(17,597)	79,664
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,716	1,150
Purchases of items of property, plant and equipment	15, 36(b)(ii), (iii)	(57,560)	(70,795)
Proceeds from disposal of items of property, plant and equipment		2,825	1,134
Additions in prepaid land lease payments	17	(2,785)	(2,115)
Disposal of subsidiaries	36(a)	–	1,469
Additions to other intangible assets	19	(301)	(17,038)
Proceeds from disposal of a long term investment		–	851
Increase/(decrease) in balances with associates		(3)	61
Decrease/(increase) in pledged time deposits		2,143	(3,111)
Net cash outflow from investing activities		(53,965)	(88,394)

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CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(28,090)	(21,474)
Interest element on finance lease rental payments		(424)	(553)
Drawdown of directors' loans		19,890	11,700
Repayment of directors' loans		(5,850)	(5,850)
Share issue expenses	33	(142)	–
Drawdown of bank loans		119,241	54,895
Repayment of bank loans		(125,094)	(28,772)
Increase in trust receipt loans		59,751	43,834
Capital element of finance lease rental payments		(3,651)	(4,235)
Net cash inflow from financing activities		35,631	49,545
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(35,931)	40,815
Cash and cash equivalents at beginning of year		63,681	22,350
Effect of foreign exchange rate changes, net		4,617	516
CASH AND CASH EQUIVALENTS AT END OF YEAR		32,367	63,681
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents	26	44,917	69,333
Bank overdrafts	27	(13,624)	(5,652)
Cash and cash equivalents attributable to a disposal group	12	1,074	–
		32,367	63,681