

Consolidated Cash Flow Statement

For the year ended 31 December 2005

	Note	2005 HK\$'000	2004 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the year		(27,718)	(104,372)
Adjustments for:			
Taxation credit		(2,441)	(1,733)
Depreciation		7,674	8,392
Property, plant and equipment written off		12	–
Gain on disposal of property, plant and equipment		–	(15)
Revaluation deficit on leasehold land and buildings		–	2,399
Impairment of property, plant and equipment		–	1,695
Impairment of goodwill		–	74
(Reversal of allowance)/allowance for impairment of receivables		(2,040)	49,247
Amortisation of goodwill		–	74
Amortisation of prepaid lease payments		170	169
Share of profit of an associate		–	(94)
Gain on deregistration of an associate		(299)	–
Interest expense		1,418	2,634
Interest income		(40)	(358)
Increase in prepaid lease payments		–	(196)
Decrease in trade and other receivables		4,927	8,888
Increase in amount due from a fellow subsidiary		(511)	–
Decrease in inventories		5,429	3,590
Increase in trade and other payables		2,068	1,967
Increase in amount due to an associate		–	60
Cash used in operations		(11,351)	(27,579)
Interest paid		(1,418)	(2,634)
Income taxes paid		(520)	(2,347)
Net cash used in operating activities		(13,289)	(32,560)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries, net of cash acquired	32	(27,046)	–
Purchases of property, plant and equipment		(2,893)	(4,130)
Proceeds from sale of property, plant and equipment		511	77
Interest received		40	358
Net cash used in investing activities		(29,388)	(3,695)

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CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from rights issue	54,000	–
Rights issue expenses	(1,303)	–
New loans received	10,000	6,729
Repayment of bank loans	(45,911)	(11,544)
Decrease in trust receipt loans	(26,867)	4,788
Payment of finance lease liabilities	(196)	(180)
Advance from immediate holding company	69,543	–
Repayment to a minority shareholder of a subsidiary	(217)	–
Capital injection by a minority shareholder of a subsidiary	–	5
Dividend paid	–	(5,500)
Net cash from/(used in) financing activities	59,049	(5,702)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	16,372	(41,957)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	11,393	53,350
EXCHANGE LOSSES ON CASH AND CASH EQUIVALENTS	(294)	–
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	27,471	11,393
ANAYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	27,472	11,465
Bank overdrafts	(1)	(72)
	27,471	11,393