

Consolidated Cash Flow Statement

For the year ended 31st December, 2004

	2004 HK\$'000	2003 HK\$'000
OPERATING ACTIVITIES		
Profit from operations	76,881	65,930
Adjustments for:		
Allowance for bad and doubtful debts	6,112	1,567
Interest income	(927)	(1,202)
Release of negative goodwill to income	–	(3,502)
Depreciation and amortisation	34,979	34,608
(Gain) loss on disposal of property, plant and equipment	(677)	86
(Decrease) increase in retirement benefit obligations	(1,013)	730
Operating cash flows before movements in working capital	115,355	98,217
Increase in inventories	(9,246)	(16,481)
Increase in trade receivables	(21,927)	(38,938)
(Increase) decrease in deposits, prepayments and other receivables	(3,191)	4,821
(Decrease) increase in trade payables	(11)	39,422
Decrease in accrued charges and other payables	(2,441)	(552)
Net cash generated from operations	78,539	86,489
Income tax paid	(14,040)	(2,563)
Income tax refunded	1,242	77
Interest paid	(2,950)	(3,371)
Finance charge on obligations under finance leases	(16)	(76)
NET CASH FROM OPERATING ACTIVITIES	62,775	80,556
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(40,258)	(75,102)
Proceeds from disposal of property, plant and equipment	2,311	90
Deposit received in respect of disposal of a subsidiary	936	–
Interest received	927	1,202
Reimbursement of payment for properties under development from related companies	–	21,001
Reimbursement of guaranteed rented income from a related company	–	2,855
NET CASH USED IN INVESTING ACTIVITIES	(36,084)	(49,954)

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FINANCING ACTIVITIES		
Redemption of preference shares	(100,000)	(50,000)
Repayment of bank loans	(28,912)	(26,050)
Dividends paid	(24,722)	(24,756)
Repayment of import loans	(21,083)	(54,127)
Repayment of obligations under finance leases	(1,537)	(1,791)
New bank loans raised	60,000	70,000
New import loans raised	16,575	43,071
Share issue expenses	–	(370)
Proceed from shares issued upon exercise of share options	–	320
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NET CASH USED IN FINANCING ACTIVITIES	(99,679)	(43,703)
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NET DECREASE IN CASH AND CASH EQUIVALENTS	(72,988)	(13,101)
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CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	169,028	182,129
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CASH AND CASH EQUIVALENTS AT END OF THE YEAR , represented by bank balances and cash	96,040	169,028
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