

Consolidated Cash Flow Statement (For the year ended 31st December, 2004)

	<i>Notes</i>	2004 HK\$'000	2003 HK\$'000
OPERATING ACTIVITIES			
Profit from operations		65,203	41,106
Adjustments for:			
Interest income		(583)	(2,846)
Depreciation of property, plant and equipment		7,277	3,605
Gain on disposal of investment properties		–	(356)
Gain on disposal of technical know-how		–	(8,080)
Gain on disposal of property, plant and equipment		(6,708)	–
Amortisation of goodwill		5,490	2,287
Amortisation of technical know-how		–	311
Release of negative goodwill		(230)	(86)
Gain on disposal of investments in securities		–	(11)
Unrealised gain on investments in securities		(6,710)	(1,296)
Operating cash flows before movements in working capital		63,739	34,634
Decrease in inventories		1,614	1,991
Decrease in properties held for sale		4,715	3,721
(Increase) decrease in trade and other receivables, deposits and prepayments		(42,506)	3,578
Decrease (increase) in trade and other payables		(20,783)	3,982
Decrease in margin loan payable		–	(308)
Increase in bills payable		18,164	–
Net cash generated from operations		24,943	47,598
Interest paid		(2,853)	(1,812)
Taxation paid		(4,293)	(120)
NET CASH GENERATED FROM OPERATING ACTIVITIES		17,797	45,666
INVESTING ACTIVITIES			
Interest received		583	2,767
Deposits paid for acquisition of land use right		(22,991)	–
Purchase of property, plant and equipment		(3,675)	(13,064)
Acquisition of additional interest in subsidiaries from minority shareholders		(471)	–
Proceeds from disposal of property, plant and equipment		10,567	6
Purchase of interest in subsidiaries (net of cash and cash equivalent acquired)	29	–	(14,994)
Proceeds from disposal of subsidiaries (net of cash and cash equivalent disposed of)	30	11,660	–
Purchase of investments in securities		–	(14,846)
Purchase of investment properties		–	(242)
Advance of loans receivable		(18,828)	(75,849)
Decrease in amount due from a director		–	30
Decrease (increase) in amount due from a minority shareholder		982	(982)
Repayment from loans receivable		70,284	12,000
Proceeds from disposal of technical know-how		–	13,314
Proceeds from disposal of investment properties		–	10,256
Proceeds from disposal of investments in securities		–	13,641
Proceeds from disposal of an associate		–	2,000
NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES		48,111	(65,963)

	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
FINANCING ACTIVITIES		
Issue of shares	55,000	–
New bank loans	29,907	14,943
Repayment of bank loans	(61,146)	(9,445)
Increase in amounts due to related companies	4,049	136
Increase in amount due to ultimate holding company	209	52
Increase in amount due to a minority shareholder	399	–
NET CASH GENERATED FROM FINANCING ACTIVITIES	28,418	5,686
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	94,326	(14,611)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	28,027	41,566
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	1,138	1,072
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD	123,491	28,027
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	123,491	28,027