

## CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		111,857	65,381
Adjustments for:			
Finance costs	7	9,040	5,648
Depreciation	5	17,854	13,517
Amortisation of land use rights	5	440	394
Share of profits and losses of associates		(5,426)	(3,936)
Interest income	5	(15)	(39)
Gain on disposal of fixed assets	5	–	(4)
Surplus on revaluation of leasehold land and buildings	5	–	(144)
Deficit/(surplus) on revaluation of investment properties	5	(250)	150
Amortisation of prepayments	5	591	486
Provisions for bad and doubtful debts	5	670	824
Provisions for obsolete inventories	5	1,628	–
Operating profit before working capital changes		136,389	82,277
Increase in inventories		(34,343)	(12,901)
Increase in trade and bills receivables		(135,797)	(89,555)
Decrease/(increase) in prepayments, deposits and other receivables		912	(6,091)
Decrease/(increase) in amount due from an associate		(2,145)	345
Increase in trade and bills payables		78,604	71,819
Increase in accrued liabilities and other payables		6,257	8,870
Cash generated from operations		49,877	54,764
Interest paid		(9,040)	(5,648)
Hong Kong profits tax paid		(396)	–
Overseas taxes paid		(1,854)	(740)
Net cash inflow from operating activities		38,587	48,376
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		15	39
Dividend received from an associate		2,000	1,000
Purchases of fixed assets	13	(72,195)	(47,946)
Proceeds from disposal of fixed assets		–	177
Additions to prepayments	16	(8,024)	–
Decrease/(increase) in long term deposits		(6,802)	2,565
Decrease/(increase) in pledged bank deposits		4,571	(5,151)
Net cash outflow from investing activities		(80,435)	(49,316)

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23

Year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New bank loans		255,139	192,465
Repayment of bank loans		(212,127)	(159,659)
Increase/(decrease) in trust receipt loans		12,781	(1,518)
Proceeds from issue of new shares, net	26	44,310	–
Proceeds from exercise of share options	26	13,052	–
Advance from a minority shareholder		227	675
Capital contribution from a minority shareholder		–	30
Dividends paid		(36,086)	(16,610)
Net cash inflow from financing activities		77,296	15,383
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>35,448</b>	<b>14,443</b>
Cash and cash equivalents at beginning of year		48,968	34,525
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>84,416</b>	<b>48,968</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	20	84,416	38,968
Time deposits with original maturities within three months	20	–	10,000
		<b>84,416</b>	<b>48,968</b>