

# Consolidated Cash Flow Statement

for the year ended 31st December, 2004

	2004 HK\$'000	2003 HK\$'000
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	<b>268,692</b>	187,449
Adjustments for:		
Interest income	<b>(8,226)</b>	(14,965)
Interest expenses and finance charges	<b>18,934</b>	25,308
Allowance for bad and doubtful debts	<b>7,643</b>	8,450
Amortisation of goodwill	<b>21,015</b>	21,720
Unrealised exchange loss	<b>7,235</b>	2,692
Release of negative goodwill	<b>(22)</b>	(91)
Amortisation of patents and trademarks	<b>666</b>	278
(Surplus) deficit arising on revaluation of investment properties	<b>(4,900)</b>	950
Depreciation and amortisation of property, plant and equipment	<b>84,430</b>	80,931
(Gain) loss on disposal of property, plant and equipment	<b>(1,620)</b>	109
Gain on partial disposal of a subsidiary	<b>(399)</b>	—
Gain on disposal of subsidiaries	<b>—</b>	(2,048)
Operating cash flows before movements in working capital	<b>393,448</b>	310,783
Increase in inventories	<b>(105,426)</b>	(77,545)
Decrease (increase) in trade and other receivables	<b>21,930</b>	(115,267)
(Increase) decrease in bills receivable	<b>(10,527)</b>	1,838
(Decrease) increase in trade and other payables	<b>(5,697)</b>	9,888
Increase in bills payable	<b>15,699</b>	13,046
Exchange differences	<b>827</b>	26
Cash generated from operations	<b>310,254</b>	142,769
Income tax paid	<b>(33,772)</b>	(27,163)
Income tax refunded	<b>5,271</b>	50
Interest expenses and finance charges paid	<b>(18,934)</b>	(25,308)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>262,819</b>	90,348

## Consolidated Cash Flow Statement

for the year ended 31st December, 2004

	Note	2004 HK\$'000	2003 HK\$'000
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(185,765)	(131,278)
Interest received		8,226	14,965
Proceeds on partial disposal of a subsidiary		4,662	—
Proceeds on disposal of property, plant and equipment		2,382	5,485
Disposal of subsidiaries	31	—	(160)
Payment for purchase of patents and trademarks		—	(2,000)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(170,495)</b>	<b>(112,988)</b>
<b>FINANCING ACTIVITIES</b>			
Repayment of bank borrowings		(222,868)	(700,245)
Dividends paid		(98,270)	(83,088)
Repayment of obligations under finance leases		(26)	(44)
New bank borrowings raised		197,598	542,709
Proceeds from new shares issued		15,457	5,436
Net increase (decrease) in trust receipt loans		14,730	(4,910)
Proceeds from floating rate notes issued		—	150,000
Dividends paid to minority shareholders of subsidiaries		—	(8,400)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(93,379)</b>	<b>(98,542)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(1,055)</b>	<b>(121,182)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>442,247</b>	<b>563,029</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>		<b>480</b>	<b>400</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash</b>		<b>441,672</b>	<b>442,247</b>