

# Consolidated Cash Flow Statement

For the year ended 31 December 2004

(Expressed in United States dollars)

Note	2004 \$'000	2003 \$'000
<b>Operating activities</b>		
Profit from ordinary activities before taxation	18,964	11,355
Adjustments for:		
– Depreciation	5,714	3,515
– Finance costs	679	82
– Net realised and unrealised loss/(gain) on other investments	43	(11)
– Loss on disposal of fixed assets	16	50
– Interest income	(77)	(56)
– Share of profits less losses of associate	(38)	(4)
– Gain on disposal of associate	(9)	–
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<b>Operating profit before changes in working capital</b>	<b>25,292</b>	<b>14,931</b>
Increase in inventories	(7,875)	(3,025)
Increase in trade and other receivables, deposits and prepayments	(13,314)	(4,399)
Increase in net amounts due to/(from) related companies	381	(674)
Increase in trade and other payables	9,357	3,801
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<b>Cash generated from operations</b>	<b>13,841</b>	<b>10,634</b>
Tax refund received	307	385
Income tax paid	(834)	(408)
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<b>Net cash from operating activities</b>	<b>13,314</b>	<b>10,611</b>
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<b>Investing activities</b>		
Net receipt/(payment) for disposal of/ purchase other investments	259	(47)
Interest received	77	56
Proceeds from disposal of associate	69	–
Proceeds from disposal of fixed assets	23	125
Payment for construction in progress	(10,941)	(24,968)
Payment for purchase of fixed assets	(3,260)	(1,916)
Repayment of loan advance to related company	–	2,570
Payment for purchase of investment securities	–	(250)
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<b>Net cash used in investing activities</b>	<b>(13,773)</b>	<b>(24,430)</b>
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**Consolidated Cash Flow Statement**

For the year ended 31 December 2004

*(Expressed in United States dollars)*

	Note	2004 \$'000	2003 \$'000
<b>Financing activities</b>			
Proceeds from bank loans		26,589	42,633
Proceeds from capital injection from shareholders		880	3,280
Repayment of bank loans		(18,389)	(24,168)
Dividends paid		(8,553)	(1,000)
(Increase)/decrease in pledged bank deposits		(1,163)	259
Interest paid		(1,059)	(435)
Share issue expenses		(655)	–
<b>Net cash (used in)/generated from financing activities</b>		<u>(2,350)</u>	<u>20,569</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(2,809)</b>	<b>6,750</b>
<b>Cash and cash equivalents at 1 January</b>		<u>9,756</u>	<u>3,006</u>
<b>Cash and cash equivalents at 31 December</b>	23	<u><b>6,947</b></u>	<u><b>9,756</b></u>

**Non-cash transaction**

Pursuant to the Reorganisation which resulted in the Company becoming the holding company of the Group, an aggregate of 218,171,000 ordinary shares of HK\$0.01 each were issued in exchange for the equity interest in the subsidiaries now comprising the Group, details of which are disclosed in note 26(c).

The notes on pages 28 to 65 form part of these financial statements.