

Consolidated Cash Flow Statement

For the year ended 31 December 2004

	2004 HK\$	2003 HK\$
OPERATING ACTIVITIES		
Profit before taxation	61,940,481	38,076,015
Adjustments for:		
Allowances for (write-back of) bad and doubtful debts	160,383	(649,704)
Depreciation	2,470,794	1,703,047
Loss on disposal of property, plant and equipment	54,101	818,948
Interest income	(433,184)	(238,002)
Operating cash flows before movements in working capital	64,192,575	39,710,304
Decrease (increase) in debtors, deposits and prepayments	573,521	(19,130,369)
Decrease in amounts due from related parties	238,568	7,395,297
Increase in creditors, deposits received and accruals	5,086,611	2,881,470
Increase (decrease) in amounts due to related parties	2,006,291	(765,675)
Increase in other tax payables	1,189,397	2,190,149
Cash generated from operations	73,286,963	32,281,176
Tax paid	(6,528,977)	(4,293,478)
Interest received	433,184	238,002
NET CASH FROM OPERATING ACTIVITIES	67,191,170	28,225,700
INVESTING ACTIVITIES		
Proceeds on disposal of property, plant and equipment	7,972	3,585
Purchases of property, plant and equipment	(3,404,593)	(3,318,041)
Repayment from directors	–	45,125
NET CASH USED IN INVESTING ACTIVITIES	(3,396,621)	(3,269,331)
FINANCING ACTIVITIES		
Dividend paid	(9,905,539)	(2,800,000)
Repayment of borrowing from a related company	–	(2,985,147)
Issue of shares, net of issue expenses	100,301,112	24,180,000
NET CASH FROM FINANCING ACTIVITIES	90,395,573	18,394,853
NET INCREASE IN CASH AND CASH EQUIVALENTS	154,190,122	43,351,222
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	92,517,281	48,148,813
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	598,252	1,017,246
CASH AND CASH EQUIVALENTS AT END		
OF THE YEAR, represented by bank balances and cash	247,305,655	92,517,281