

CONSOLIDATED CASH FLOW STATEMENT

For The Year Ended 31st December, 2004

	2004 HK\$	2003 HK\$
OPERATING ACTIVITIES		
(Loss) profit before taxation	(2,109,981)	10,193,027
Adjustments for:		
Share of losses of associates	97,538	305,978
Depreciation and amortisation	24,024,243	26,480,066
(Gain) loss on disposal of investments in securities	(1,509,444)	3,611,937
(Gain) loss on disposals of property, plant and equipment	(7,597)	2,240,381
Allowances for bad and doubtful debts	18,364,096	250,200
Interest expenses	4,486,817	4,981,382
Finance lease charges	–	159,166
Unrealised holding loss on other investments	602,088	1,362,419
Interest income	(485,538)	(507,948)
Operating cash flows before movements in working capital	43,462,222	49,076,608
Decrease in inventories	9,044,799	55,493,090
Decrease in debtors and prepayments	3,507,833	7,272,046
Decrease in creditors, bills payable and accrued charges	(16,568,945)	(49,131,387)
Effect of foreign exchange rate changes	18,868	(1,489,021)
Cash generated from operations	39,464,777	61,221,336
Hong Kong Profits Tax paid	(1,925,898)	(485,772)
Interest paid	(4,486,817)	(4,981,382)
Finance lease charges paid	–	(159,166)
NET CASH FROM OPERATING ACTIVITIES	33,052,062	55,595,016
INVESTING ACTIVITIES		
Increase in short term bank deposits	(23,400,000)	–
Purchase of other investments in securities	(35,100,000)	(10,559,279)
Increase in long term bank deposits	(15,600,000)	–
Purchase of property, plant and equipment	(12,557,417)	(9,494,250)
Deposits paid for acquisition of land and buildings	(7,723,254)	–
Increase in pledged bank deposits	(9,856)	(19,575)
Proceeds from disposals of investments in securities	46,872,392	1,918,063
Interest received	485,538	507,948
Proceeds from disposals of property, plant and equipment	241,292	6,410,566
NET CASH USED IN INVESTING ACTIVITIES	(46,791,305)	(11,236,527)

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FINANCING ACTIVITIES		
New bank borrowings raised	374,561,370	515,715,261
Repayment of bank borrowings	(357,319,802)	(509,075,805)
Repayment of obligations under finance leases	–	(6,677,897)
Dividends paid	(11,948,157)	(4,779,263)
Dividend paid to a minority shareholder of a subsidiary	(3,752,325)	–
NET CASH FROM (USED IN) FINANCING ACTIVITIES	1,541,086	(4,817,704)
 (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		
	(12,198,157)	39,540,785
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	87,356,632	47,815,847
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	75,158,475	87,356,632
 ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
BEING:		
Short term bank deposits	33,609,613	33,631,158
Bank balances and cash	41,548,862	53,725,474
	75,158,475	87,356,632