

Consolidated Cash Flow Statement

YEAR ENDED 31 DECEMBER 2004

	<i>Notes</i>	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profits/(Loss) before tax		9,883	(23,163)
Adjustments for:			
Finance costs	9	21,832	21,594
Share of loss of an associate		–	1,938
Interest income	5	(1,150)	(1,465)
Negative goodwill recognised as income	5	(10)	(9)
Gain on disposal of a long term investment	5	(851)	–
Loss on disposal of fixed assets	6	2,164	1,583
Write-off of intangible assets	6	4	816
Depreciation	6	36,034	39,286
Amortisation of intangible assets	6	20,581	20,532
Amortisation of goodwill	6	658	1,510
Loss on disposal of subsidiaries	6	2,902	–
Provision for doubtful debts	6	5,049	7,746
Operating profit before working capital changes		97,096	70,368
Increase in inventories		(73,613)	(33,519)
Increase in accounts receivable		(49,133)	(27,870)
(Increase)/decrease in prepayments, deposits and other receivables		4,710	(14,553)
Increase in accounts and bills payables		56,939	26,140
Increase in other payables and accruals		46,638	13,132
Cash generated from operations		82,637	33,698
Taxes refunded		–	2,205
Taxes paid		(2,973)	(2,726)
Net cash inflow from operating activities		79,664	33,177

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YEAR ENDED 31 DECEMBER 2004

	Notes	2004 HK\$'000	2003 HK\$'000
Net cash inflow from operating activities		79,664	33,177
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,150	1,465
Purchases of fixed assets	34(a), (b)	(72,910)	(16,336)
Proceeds from disposal of fixed assets		1,134	2,711
Proceeds from disposal of an associate		–	3,905
Disposal of subsidiaries	34(a)	1,469	–
Additions to intangible assets	15	(17,038)	(22,534)
Proceeds from disposal of a long term investment		851	59
Increase/(decrease) in balances with associates		61	(770)
Increase in pledged time deposits		(3,111)	–
Net cash outflow from investing activities		(88,394)	(31,500)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(21,474)	(21,192)
Interest element on finance lease rental payments		(553)	(402)
Drawdown of shareholders' loans		–	11,700
Drawdown of directors' loans		11,700	–
Repayment of directors' loans		(5,850)	–
Share issue expenses	31	–	(50)
Drawdown of bank loans		54,895	27,168
Repayment of bank loans		(28,772)	(36,795)
Increase in trust receipt loans		43,834	18,312
Capital element of finance lease rental payments		(4,235)	(5,267)
Net cash inflow/(outflow) from financing activities		49,545	(6,526)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		40,815	(4,849)
Cash and cash equivalents at beginning of year		22,350	18,930
Effect of foreign exchange rate changes, net		516	8,269
CASH AND CASH EQUIVALENTS AT END OF YEAR		63,681	22,350
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents		69,333	33,672
Bank overdrafts		(5,652)	(11,322)
		63,681	22,350