

Consolidated Cash Flow Statement

For the year ended 31 December 2004

	2004 HK\$'000	2003 HK\$'000
OPERATING ACTIVITIES		
Profit before taxation	51,511	35,264
Adjustments for:		
Allowance/(written back) for inventory obsolescence	2,943	(129)
Allowance for bad and doubtful debts	5,938	475
Finance costs	24,360	26,370
Share of results of jointly-controlled entities	(1,441)	(1,486)
Interests income	(2,167)	(1,005)
Depreciation and amortisation of property, plant and equipment	44,127	40,384
Loss on disposal of property, plant and equipment	2,190	3,875
Amortisation of trademarks	692	692
Impairment loss recognised in respect of property, plant and equipment	2,860	–
Operating cash flows before movements in working capital	131,013	104,440
(Increase) decrease in inventories	(60,214)	41,910
Decrease (increase) in trade receivables	4,730	(39,229)
Increase in bills receivables	(10,701)	(9,953)
Decrease in deposits, prepayments and other receivables	98,566	4,940
(Increase) decrease in amounts due from jointly-controlled entities	(1,967)	2,780
(Decrease) increase in trade payables and accrued purchases	(3,674)	1,592
Decrease in bills payables	(2,977)	(951)
(Decrease) increase in other payables and accruals	(773)	11,236
(Decrease) increase in amounts due to jointly-controlled entities	(3,834)	5,590
Decrease in amount due to an associate	(3)	–
Decrease in provision for long service payments	(559)	(1,337)
Cash generated from operations	149,607	121,018
Hong Kong profits tax paid	(2,489)	(454)
Overseas taxes paid	(4,108)	(2,290)
NET CASH FROM OPERATING ACTIVITIES	143,010	118,274
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(99,813)	(57,657)
Proceeds on disposal of property, plant and equipment	15,964	4,864
Interest received	2,167	1,005
Decrease in amounts due from jointly-controlled entities	–	40
Capital contribution to a jointly-controlled entity	–	(80)
(Increase) decrease in pledged bank deposits	(5,554)	11,961
NET CASH USED IN INVESTING ACTIVITIES	(87,236)	(39,867)

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	2004	2003
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FINANCING ACTIVITIES		
New bank loans raised	494,487	386,815
Contribution from minority shareholders	18,352	–
Exercise of share options	985	1,525
Repayment of bank loans	(393,157)	(380,989)
Dividends paid	(19,737)	(9,757)
Decrease in trust receipt loans	(15,598)	(5,164)
Interests paid	(13,835)	(15,766)
Bank charges	(6,879)	(6,363)
Factoring expenses	(3,635)	(4,168)
Repayments of obligations under finance leases	(330)	(538)
Interest paid on obligations under finance leases	(11)	(73)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	60,642	(34,478)
NET INCREASE IN CASH AND CASH EQUIVALENTS	116,416	43,929
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	179,635	136,040
EFFECT OF FOREIGN EXCHANGE RATE CHANGES, NET	(193)	(334)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	295,858	179,635
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	299,018	182,581
Bank overdrafts	(3,160)	(2,946)
	295,858	179,635