

# Consolidated Cash Flow Statement

For the year ended 31 December 2004

	2004 HK\$'000	2003 HK\$'000
<b>OPERATING ACTIVITIES</b>		
Profit from operations	17,552	10,367
Adjustments for:		
Amortisation of intangible assets	621	–
Depreciation and amortisation of property, plant and equipment	6,938	4,787
(Gain) loss on disposals of property, plant and equipment	(281)	697
Unrealised profit on sales to an associate	681	556
Allowances for doubtful debts	2,389	–
Interest income from an associate	(636)	–
Interest income	(240)	(119)
Operating cash flows before movements in working capital	27,024	16,288
(Increase) decrease in inventories	(17,265)	1,288
(Increase) decrease in trade and other receivables	(3,515)	28,998
Decrease (increase) in deposits and prepayments	14,972	(17,987)
Increase (decrease) in trade and other payables	21,367	(23,458)
Increase in deposits and accrued expenses	213	435
Decrease (increase) in amounts due from (to) companies owned by a former director	8,698	(14,048)
(Decrease) increase in amount due from (to) an associate	(32,897)	1,826
<b>NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>	<b>18,597</b>	<b>(6,658)</b>
<b>INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	(11,971)	(33,733)
Proceeds on disposals of property plant and equipment	1,163	–
Repayment from (advance to) a former director	–	698
Interest received from an associate	636	–
Interest received	240	119
Repayment from an associate	–	2,485
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(9,932)</b>	<b>(30,431)</b>
<b>FINANCING ACTIVITIES</b>		
Interest paid	(1,416)	(549)
Issue of shares	79,460	–
Share issue expenses	(2,160)	–
Repurchase of shares	(29,908)	–
Dividends paid	(6,330)	(6,720)
Repayments of unsecured bank borrowings	(15,304)	(12,264)
Increase in pledged bank deposits	(6,321)	(9,709)
New unsecured bank borrowings raised	–	80,949
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>18,021</b>	<b>51,707</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>26,686</b>	<b>14,618</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>35,338</b>	<b>20,720</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>(1,201)</b>	<b>–</b>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>60,823</b>	<b>35,338</b>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Bank balances and cash	60,823	35,338