

# Consolidated Cash Flow Statement

for the year ended 31 December 2004

	2004 HK\$'000	2003 HK\$'000
<b>Cash flows from operating activities</b>		
Profit before taxation and minority interests	40,576	61,977
Share of profit less losses of associates	(17)	4
Interest income	(73)	(27)
Interest expenses	36,634	54,658
Depreciation of property, plant and equipment	1,290	1,193
Amortisation of goodwill	73	73
Impairment loss on goodwill	3,714	5,566
Amortisation of intangible assets	199	134
Provision for doubtful debts	273	943
Write back of overprovision for doubtful debts	(222)	(295)
Bad debts written off	2,055	—
Loss on disposal of investment properties	—	500
Loss on disposal of properties held for sales	—	120
Loss on disposal of property, plant and equipment	170	23
(Gain)/loss on disposal of subsidiaries	(1,053)	203
Waiver of interest on other borrowings by ultimate holding company	—	(46,064)
Write back of provision for unlisted warrants	(5,318)	—
Operating profit before working capital changes	78,301	79,008
Decrease/(increase) in restricted bank balances	507	(197)
Increase in debtors, prepayments and deposits and instalments receivable	(5,054)	(5,735)
Increase in inventories	(13,944)	(14,040)
Increase in creditors, accruals and deposits received	6,837	9,876
Cash generated from operations	66,647	68,912
Interest paid	(28,224)	(52,590)
Income tax paid	(8)	(19)
<i>Net cash generated from operating activities</i>	<b>38,415</b>	<b>16,303</b>

# Consolidated Cash Flow Statement

for the year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment		(1,580)	(1,425)
Proceeds from disposal of property, plant and equipment		—	3,433
Additions to other investments		—	(1)
Proceeds from disposal of investment properties		—	500
Proceeds from disposal of properties held for sales		—	500
Decrease in amounts due from associates		44	7
Payments to acquire investment properties		(18,050)	—
Payments to acquire subsidiaries (net of cash and cash equivalents acquired)	35(c)	(15,150)	(7,139)
Net cash (outflow)/inflow from disposal of subsidiaries	35(e)	(11)	33
Interest received		73	27
<i>Net cash used in investing activities</i>		<b>(34,674)</b>	<b>(4,065)</b>
<b>Cash flows from financing activities</b>			
Repayments of bank loans		(17,195)	(28,317)
Repayments of other loans		(36,222)	(39,700)
Repayments to ultimate holding company		—	(2,207)
Bank loans raised		24,742	—
Other loans raised		26,150	67,603
Inception of finance lease contracts		—	53
Repayments of obligations under finance leases		(92)	(43)
Proceeds from exercise of warrants		543	14,741
Proceeds from exercise of share options		600	—
Proceeds from new issue of shares, net of expenses		11,650	—
Payments for arrangement fees of loan capitalisation		(157)	—
Payments for arrangement fees of bonus issue of shares		(10)	—
Payments for share repurchased		(638)	—
Final dividend paid		(2,025)	—
<i>Net cash generated from financing activities</i>		<b>7,346</b>	<b>12,130</b>
<b>Increase in cash and cash equivalents</b>		<b>11,087</b>	<b>24,368</b>
<b>Cash and cash equivalents at 1 January</b>		<b>36,039</b>	<b>11,659</b>
<b>Effect of foreign exchange rate changes, net</b>		<b>(402)</b>	<b>12</b>
<b>Cash and cash equivalents at 31 December</b>		<b>46,724</b>	<b>36,039</b>