

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2004

	2004	2003
	HK\$'000	HK\$'000
OPERATING ACTIVITIES		
Profit from operating activities before tax	30,460	13,678
Adjustments for:		
Allowance for bad and doubtful receivables, net	5,934	5,156
Allowance for obsolete and slow moving inventories	–	2,122
Write-back on allowance for obsolete and slow moving inventories	(2,514)	–
Depreciation and amortisation of property, plant and equipment	43,254	43,634
Gain on disposal of property, plant and equipment	(1)	(16)
Impairment loss on investment securities	108	113
Interest income	(418)	(427)
Interest expense	10,743	11,372
Operating cash flows before movements in working capital	87,566	75,632
Decrease (increase) in inventories	74,605	(12,151)
Increase in trade and other receivables	(45,599)	(19,598)
Decrease (increase) in amounts due from minority shareholders of subsidiaries	1,156	(1,156)
(Decrease) increase in trade and other payables	(33,813)	22,397
Increase in bills payable	11,980	505
Increase (decrease) in amounts due to minority shareholders of subsidiaries	145	(4,302)
Cash generated from operations	96,040	61,327
Hong Kong Profits Tax paid	(21)	(37)
PRC enterprise income tax paid	(2,929)	(5,631)
NET CASH GENERATED FROM OPERATING ACTIVITIES	93,090	55,659
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(16,114)	(41,512)
Interest received	419	427
Decrease in pledged bank deposits	7,318	19
Proceeds from disposal of property, plant and equipment	6	16
NET CASH USED IN INVESTING ACTIVITIES	(8,371)	(41,050)

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2004

	2004	2003
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FINANCING ACTIVITIES		
Repayment of borrowings	(180,791)	(51,678)
Dividends paid to minority shareholders of subsidiaries	(5,292)	(10,482)
Interest paid	(10,743)	(11,372)
Bank borrowings raised	108,985	57,927
Net borrowing from a director	6,092	1,049
NET CASH USED IN FINANCING ACTIVITIES	(81,749)	(14,556)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,970	53
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	22,328	22,275
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	25,298	22,328
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	26,768	22,328
Bank overdraft	(1,470)	-
	25,298	22,328