

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER, 2004

	2004 HK\$'000	2003 HK\$'000
<b>Operating activities</b>		
Profit from operations	77,423	65,623
Adjustments for:		
Allowance for doubtful debts	1,264	1,400
Depreciation and amortisation	16,220	12,239
Interest income	(309)	(439)
Loss on disposal of property, plant and equipment	176	165
Realised/unrealised gain on investment in securities	(7)	(451)
Operating cash flows before movements in working capital	94,767	78,537
Increase in inventories	(16,456)	(13,761)
Increase in trade and other receivables	(6,533)	(30,358)
Decrease (increase) in deposits and prepayments	16,880	(23,060)
Decrease in amounts due from related companies	652	5,709
Increase in trade and other payables	25,038	30,169
Cash generated from operations	114,348	47,236
Income taxes paid	(768)	(1,423)
Income tax refunded	–	1
<b>Net cash from operating activities</b>	<b>113,580</b>	<b>45,814</b>
<b>Investing activities</b>		
Purchases of property, plant and equipment	(72,050)	(19,717)
Deposits paid for the acquisition of property, plant and equipment	(22,428)	–
Decrease (increase) in pledged bank deposits	16,519	(3,004)
Proceeds on disposal of investment in securities	7,335	–
Decrease in prepayments under processing arrangement	836	765
Interest received	309	439
Proceeds on disposal of property, plant and equipment	107	191
<b>Net cash used in investing activities</b>	<b>(69,372)</b>	<b>(21,326)</b>
<b>Financing activities</b>		
New bank loans raised	28,629	43,000
Increase (decrease) in trust receipt loans	15,652	(57,007)
Proceeds on issue of shares	3,157	104,546
Repayment of bank loans	(15,573)	(11,586)
Repayment of obligations under finance leases	(10,467)	(4,797)
Dividends paid	(9,235)	(30,000)
Interest paid	(1,776)	(3,098)
Bank charges paid	(681)	(691)
Finance charges on obligations under finance leases paid	(95)	(384)
Shares issue expenses	–	(13,029)
Shares issued by a subsidiary to its then shareholders prior to the Group Reorganisation	–	1
<b>Net cash from financing activities</b>	<b>9,611</b>	<b>26,955</b>
<b>Net increase in cash and cash equivalents</b>	<b>53,819</b>	<b>51,443</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>79,299</b>	<b>27,856</b>
<b>Cash and cash equivalents at end of the year</b>	<b>133,118</b>	<b>79,299</b>
<b>Analysis of the balances of cash and cash equivalents</b>		
Bank balances and cash	133,446	79,947
Bank overdraft	(328)	(648)
	<b>133,118</b>	<b>79,299</b>