

Consolidated Cash Flow Statement

Year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		29,590	49,089
Adjustments for:			
Interest expenses	7	7,986	6,681
Interest income	6	(107)	(330)
Depreciation	6	18,768	15,905
Amortisation of goodwill	6	2,997	2,216
Impairment of goodwill	6	–	23
Loss/(gain) on disposal of fixed assets	6	1,260	(94)
Provision for bad and doubtful debts	6	9,495	2,268
Provision for bad debts written back	6	(1,692)	–
Operating profit before working capital changes		68,297	75,758
Decrease/(increase) in inventories		(33,338)	8,690
Decrease/(increase) in trade and bills receivables		9,024	(9,444)
Decrease/(increase) in deposits, prepayments and other receivables		(1,672)	17,633
Increase in trade and bills payables		14,637	7,532
Increase/(decrease) in other payables and accruals		8,436	(18,575)
Effect on foreign exchange rate changes, net		–	85
Cash generated from operations		65,384	81,679
Interest received		107	330
Tax paid in the PRC		(446)	(86)
Hong Kong profits tax paid		(5,490)	(3,223)
Net cash inflow from operating activities		59,555	78,700
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets	14	(35,489)	(20,746)
Proceeds from disposal of fixed assets		576	321
Acquisition of additional equity interests in subsidiaries		(7,900)	(10,580)
Acquisition of a subsidiary	31	–	23
Net cash outflow from investing activities		(42,813)	(30,982)

Consolidated Cash Flow Statement (Continued)

Year ended 31 December 2004

	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank loans	173,000	115,000
Repayment of bank loans	(143,708)	(71,563)
Interest paid	(7,981)	(6,648)
Dividends paid	(47,748)	(26,292)
Dividends paid to minority shareholders	–	(4,454)
Interest element of finance lease	(5)	(33)
Capital element of finance lease	(87)	(1,157)
Capital contribution from minority interests	–	2,730
Net cash inflow/(outflow) from financing activities	(26,529)	7,583
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	(9,787)	55,301
Cash and cash equivalents at beginning of year	93,837	38,536
CASH AND CASH EQUIVALENTS AT END OF YEAR		
	84,050	93,837
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	84,050	93,837