

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2004

	2004 HK\$'000	2003 HK\$'000
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	<b>33,807</b>	52,829
Adjustments for:		
Share of results of associates	(6)	–
Interest expenses	<b>13,250</b>	11,777
Interest income on bank deposits	(787)	(1,283)
Unrealised gain on interest rate swap transactions	(551)	–
Depreciation	<b>2,001</b>	935
Loss (gain) on disposal of plant and equipment	<b>118</b>	(13)
Amortisation of goodwill	<b>353</b>	–
Allowance for doubtful debts	<b>1,512</b>	–
Allowance for inventories	<b>2,491</b>	–
Operating cash flows before movements in working capital	<b>52,188</b>	64,245
(Increase) decrease in inventories	<b>(31,855)</b>	300,254
Increase in trade receivables, prepayments and deposits	<b>(26,403)</b>	(129,500)
Decrease in trade payables, sales deposits and accrued charges	<b>(77,645)</b>	(202,171)
Cash (used in) generated from operations	<b>(83,715)</b>	32,828
Hong Kong Profits Tax paid	<b>(2,143)</b>	(6,002)
Interest paid	<b>(13,250)</b>	(11,777)
<b>NET CASH (USED IN) GENERATED FROM OPERATING ACTIVITIES</b>	<b>(99,108)</b>	15,049
<b>INVESTING ACTIVITIES</b>		
Acquisition of associates	<b>(15,000)</b>	–
Proceeds on disposal of plant and equipment	–	71
Purchase of plant and equipment	<b>(2,610)</b>	(947)
Interest received	<b>787</b>	1,283
(Increase in) release of bank deposits pledged	<b>(1,494)</b>	54,061
<b>NET CASH (USED IN) GENERATED FROM INVESTING ACTIVITIES</b>	<b>(18,317)</b>	54,468
<b>FINANCING ACTIVITIES</b>		
Dividends paid	<b>(7,200)</b>	(9,600)
Repayment of bank borrowings	<b>(324,470)</b>	(424,630)
New bank borrowings raised	<b>418,019</b>	324,470
<b>NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES</b>	<b>86,349</b>	(109,760)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(31,076)</b>	(40,243)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>81,561</b>	121,804
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>50,485</b>	81,561
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Bank balances and cash	<b>50,753</b>	81,561
Bank overdrafts	<b>(268)</b>	–
	<b>50,485</b>	81,561