

CONSOLIDATED CASH FLOW STATEMENT

for the years ended 31st December, in Hong Kong dollar thousands

	Note	2004	2003
Operating activities			
Profit/(loss) from ordinary activities before taxation		15,844	(27,083)
Adjustments for:			
Depreciation of fixed assets		80,630	80,255
Impairment loss of fixed assets		5,183	–
Interest expenses		2,683	4,416
Interest income		(4,930)	(4,461)
Loss on disposal of fixed assets		4,040	369
Amortisation of trademarks		4,031	1,627
Amortisation of goodwill		274	160
Foreign exchange (gains)/losses		(133)	1,831
Operating profit before changes in working capital		107,622	57,114
(Increase)/decrease in inventories		(17,905)	11,760
Decrease in trade and other receivables		10,776	74,727
Decrease in net amounts due from holding companies and fellow subsidiaries		5,085	416
(Decrease)/increase in trade and other payables		(1,857)	11,622
Decrease/increase in retirement benefit liability/asset		(4,099)	(9,946)
Increase in leased factory maintenance provision		4,066	4,059
Cash generated from operations		103,688	149,752
Income tax			
Hong Kong Profits Tax paid		(66)	–
Overseas tax refunded		6,101	–
Net cash generated from operating activities		109,723	149,752
Investing activities			
Payment for purchase of fixed assets		(12,403)	(16,650)
Payment for purchase of trademarks		(53)	(39,040)
Proceeds from disposal of fixed assets		1,199	104
Proceeds from redemption of held to maturity securities		15,975	18,764
Payment for purchase of additional interest in a subsidiary		–	(5,478)
Interest received		5,325	4,579
Net cash generated from/(used in) investing activities		10,043	(37,721)
Financing activities			
Proceeds from new bank loans		–	66,004
Repayment of bank loans		(15,555)	(77,651)
Interest paid		(2,635)	(4,390)
Dividend paid		–	(7,471)
Net cash used in financing activities		(18,190)	(23,508)
Net increase in cash and cash equivalents		101,576	88,523
Cash and cash equivalents at beginning of year		352,964	264,849
Effect of foreign exchange rates changes		277	(408)
Cash and cash equivalents at end of year	20	454,817	352,964

The Notes on pages 33 to 51 form part of these financial statements.