

# Consolidated Cash Flow Statements

For the year ended 31 December 2004

	2004 HK\$'000	2003 HK\$'000
Profit before tax	54,981	47,967
Depreciation	25,203	16,817
Amortisation of negative goodwill	(1,487)	(1,487)
Provision/(reversal of provision) for obsolete and slow moving inventories	4,104	(271)
Provision for doubtful debts	–	56
Gain on disposal of a subsidiary	–	(1,013)
Unrealised exchange difference	364	523
Net (gain)/loss on disposal of fixed assets	(4)	13
Interest income	(69)	(117)
Interest expenses	5,109	3,942
Operating profit before working capital changes	88,201	66,430
Increase in inventories	(27,780)	(1,482)
Increase in prepayments, deposits and other receivables	(527)	(5,526)
Increase in amounts due from related companies	–	(5,020)
Decrease/(increase) in valued added tax recoverable	984	(2,213)
Increase in trade receivables	(14,077)	(20,321)
Decrease in amounts due from directors	–	350
Increase in trade payables	11,463	4,647
Increase in trust receipt loans	3,987	1,062
Decrease in bills payable	(1,521)	(1,901)
Decrease in other payables and accruals	(5,104)	(1,621)
Decrease in amount due to minority shareholders	–	(1,122)
Increase in value added tax payable	177	217
Decrease in amounts due to directors	(383)	(9,313)
Increase in amounts due to related companies	–	3,762
Cash generated from operations	55,420	27,949

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	Notes	2004 HK\$'000	2003 HK\$'000
<b>CASH GENERATED FROM OPERATIONS</b>		<b>55,420</b>	27,949
Interest received		69	117
Interest paid		(4,236)	(3,418)
Interest element of finance lease rental payments		(873)	(524)
Income tax paid			
– Hong Kong		(896)	(3,473)
– Mainland China		(905)	(3,463)
– Thailand		(906)	(320)
– Japan		(11)	(39)
– Singapore		(596)	(4,098)
<b>Net cash generated from operating activities</b>		<b>47,066</b>	12,731
<b>INVESTING ACTIVITIES</b>			
Purchase of fixed assets		(82,424)	(39,124)
Acquisition of club debentures		–	(310)
Disposal of a subsidiary, net of cash disposed	31(a)	–	(1,227)
(Increase)/decrease in pledged fixed deposits with banks		(1,925)	6,393
Proceeds from disposal of fixed assets		4	309
<b>Net cash used in investing activities</b>		<b>(84,345)</b>	(33,959)
<b>FINANCING ACTIVITIES</b>			
Issue of share capital		98,175	–
Share issue expenses		(26,362)	–
New bank and other loans		170,607	67,092
Repayment of bank loans		(128,478)	(52,314)
Capital element of finance lease rental payments		(12,941)	(9,512)
Dividend paid		(11,060)	–
<b>Net cash generated from financing activities</b>		<b>89,941</b>	5,266
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>52,662</b>	(15,962)
Cash and cash equivalents at beginning of year		(14,374)	1,520
Effect of foreign exchange rate changes, net		(193)	68
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	31(b)	<b>38,095</b>	(14,374)