

Consolidated Cash Flow Statement

For the year ended 31 December 2004

	2004 HK\$'000	2003 HK\$'000
Cash flows from operating activities		
Profit before taxation	22,757	39,960
Adjustments for:		
Depreciation	52,574	47,979
Interest expenses	5,372	3,485
Gain on disposal of leasehold land and buildings	(8,793)	—
Loss on disposal of property, plant and equipment other than leasehold land and buildings	59	695
Surplus arising on revaluation of investment properties	(3,548)	(20)
Gain on disposal of trading securities	—	(517)
Allowance for bad and doubtful debts	10,427	—
Unrealised holding gain on trading securities	(694)	(972)
Unrealised gain on forward contracts	(153)	(2,294)
Interest income	(479)	(461)
Dividend income from trading securities	(53)	(176)
Effect of foreign exchange rate changes on inter-company balances	—	(280)
Operating cash flows before movements in working capital	77,469	87,399
Increase in inventories	(36,897)	(22,831)
Increase in trade and other receivables	(7,161)	(65,555)
Increase in trade and other payables	16,401	30,220
Cash generated from operations	49,812	29,233
Profits tax paid outside Hong Kong	(1,476)	(2,561)
Profits tax paid in Hong Kong	(864)	(61)
Profits tax refunded in Hong Kong	1,046	25
Interest received	479	461
Net cash generated from operating activities	48,997	27,097
Cash flows from investing activities		
Purchase of property, plant and equipment	(118,565)	(62,354)
Acquisition of investment properties	(289)	—
Acquisition of properties held for sale	(82,240)	—
Deposits paid for acquisition of property, plant and equipment	(22,333)	(8,300)
Proceeds from disposal of trading securities	—	2,067
Proceeds from disposal of property, plant and equipment	45,247	451
Dividends received on trading securities	53	176
Net cash used in investing activities	(178,127)	(67,960)

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For the year ended 31 December 2004

	2004 HK\$'000	2003 HK\$'000
Cash flows from financing activities		
Bank loans raised during the year	259,217	90,199
Repayment of bank loans	(87,892)	(17,234)
Dividends paid in cash	(6,764)	(6,764)
Interest paid	(5,372)	(3,485)
Net increase (decrease) in trust receipts and import loans	1,050	(1,256)
Net cash generated from financing activities	160,239	61,460
Net increase in cash and cash equivalents	31,109	20,597
Cash and cash equivalents at the beginning of the year	62,069	41,739
Effect of foreign exchange rate changes	—	(267)
Cash and cash equivalents at the end of the year	93,178	62,069
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	95,816	68,636
Bank overdrafts	(2,638)	(6,567)
	93,178	62,069