

## Consolidated Cash Flow Statement For the year ended 31 December 2004



	2004 HK\$'000	2003 HK\$'000
<b>Cash flows from operating activities</b>		
<b>Profit before taxation</b>	<b>81,081</b>	68,114
Adjustment for:		
Interest income	(856)	(237)
Interest expenses	–	342
Depreciation	3,073	1,959
Deficit on revaluation of land and buildings	–	758
Release of negative goodwill	(161)	(161)
<b>Operating profit before working capital changes</b>	<b>83,137</b>	70,775
Increase in inventories	(103)	(3,023)
Decrease/(increase) in trade receivable	17,362	(18,004)
Increase in prepayments, deposits and other receivable	(9,878)	(3,224)
(Decrease)/increase in trade payable	(5,500)	3,593
Increase in accruals and other payables	5,894	4,000
Decrease in amounts due to directors	–	(187)
<b>Cash generated from operation</b>	<b>90,912</b>	53,930
PRC enterprise income tax paid	(12,882)	(7,797)
<b>Net cash from operating activities</b>	<b>78,030</b>	46,133
<b>Investing activities</b>		
Proceeds from issue of shares	–	78,193
Share issuance expenses	–	(10,449)
Purchase of property, plant and equipment	(21,614)	(1,176)
Purchase of intangible asset	(11,132)	–
Interest received	856	237
<b>Net cash (used in)/generated from investing activities</b>	<b>(31,890)</b>	66,805
<b>Financing activities</b>		
Repayment of short-term bank loans	–	(7,424)
New short-term bank loans	–	1,226
Interest paid	–	(342)
<b>Net cash used in financing activities</b>	<b>–</b>	(6,540)
<b>Increase in cash and cash equivalents</b>	<b>46,140</b>	106,398
<b>Cash and cash equivalents at beginning of the year</b>	<b>134,465</b>	28,067
<b>Cash and cash equivalents at end of the year</b>	<b>180,605</b>	134,465
<b>Analysis of the balances of cash and cash equivalents</b>		
Cash and bank balances	180,605	134,708
Bank overdraft	–	(243)
	<b>180,605</b>	134,465

The notes on pages 32 to 55 form an integral part of these financial statements.