

Consolidated Cash Flow Statement

For the year ended 31st December, 2004

<i>Note</i>	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
OPERATING ACTIVITIES		
Profit from ordinary activities before taxation	79,852	97,017
Adjustments for:		
Interest income	(536)	(356)
Interest expenses	742	121
Allowance for bad and doubtful debts	2,618	5,694
(Gain) loss on disposal of property, plant and equipment	(169)	1,747
Unrealised holding loss on other investments	9,700	8,334
Depreciation and amortisation of property, plant and equipment	33,010	30,574
Amortisation of intellectual property rights	5,309	5,308
(Surplus) deficit arising on revaluation of land and buildings	(6,674)	2,213
(Surplus) deficit arising on revaluation of investment properties	(4,500)	3,000
Release of negative goodwill	(420)	(420)
Loss (gain) on dissolution/disposal of subsidiaries	198	(660)
Operating cash flows before movements in working capital	119,130	152,572
Increase in inventories	(19,592)	(43,173)
Decrease (increase) in trade and other receivables	99,298	(66,398)
(Decrease) increase in trade and other payables	(11,064)	56,517
Cash generated from operations	187,772	99,518
Hong Kong Profits Tax paid	(5,394)	(4,347)
Taxation in other jurisdictions paid	(2,984)	(10,307)
NET CASH FROM OPERATING ACTIVITIES	179,394	84,864
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(24,872)	(71,970)
Dissolution/disposal of subsidiaries (net of cash and cash equivalents disposed of)	(532)	(540)
Proceeds from disposal of property, plant and equipment	1,646	579
Interest received	536	356
Acquisition of additional interest in subsidiaries	—	(1,161)
NET CASH USED IN INVESTING ACTIVITIES	(23,222)	(72,736)

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FINANCING ACTIVITIES			
Repayment of bank loans		(71,904)	(8,449)
Dividends paid		(50,599)	(57,369)
Dividend paid to a minority shareholder of a subsidiary		(8,640)	—
Repurchase of shares		(934)	(7,345)
Interest paid		(742)	(121)
Bank loans raised		56,648	22,705
Proceeds from issue of shares		—	8,190
NET CASH USED IN FINANCING ACTIVITIES		(76,171)	(42,389)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		80,001	(30,261)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		95,070	125,811
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		488	(480)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, representing bank balances and cash		175,559	95,070