

For the year ended 31st December 2004

	Note	2004 HK\$'000	2003 HK\$'000
Operating Activities			
Cash generated from operations	a	13,275	45,225
Overseas tax paid		(10,162)	(12,320)
Net Cash from Operation Activities		3,113	32,905
Investing Activities			
Purchase of fixed assets		(14,705)	(12,676)
Construction in progress		(19,187)	(15,251)
Proceeds on disposal of fixed assets		1,890	338
Purchase of subsidiaries, net of cash acquired	c	578	(198)
Proceeds on disposal of interests in investment securities		141	252
Repayment of finance lease receivables		1,744	2,518
Interest received		1,118	1,139
Dividends received from an associated company		462	458
Dividends received from joint ventures		5,537	6,474
Net Cash Used in Investing Activities		(22,422)	(16,946)
Financing Activities			
New bank loans	b	21,904	–
Repayment of bank loans	b	(4,040)	(32,195)
Interest paid		(884)	(2,267)
Dividend paid		(5,618)	(2,201)
Net Cash Generated from/(Used in) Financing Activities		11,362	(36,663)
Net Decrease in Cash and Cash Equivalents		(7,947)	(20,704)
Cash and Cash Equivalents at the Beginning of the Year		84,687	105,610
Effect of Foreign Exchange Rate Change		225	(219)
Cash and Cash Equivalents at the End of the Year		76,965	84,687
Analysis of the Balances of Cash and Cash Equivalents			
Cash and bank balances		76,965	84,687

a. Reconciliation of Profit before Taxation to Cash Generated from Operations

	2004 HK\$'000	2003 HK\$'000
Profit before taxation	16,901	28,871
Depreciation of fixed assets	34,511	33,794
Net loss/(profit) on disposal of other fixed assets	369	(60)
Profit on disposal of an investment property	(313)	–
Share of profits less losses of – associated company	(2,677)	(890)
– joint ventures	(26,750)	(14,875)
Revaluation surplus on investment properties	(595)	(303)
Impairment in fixed assets	175	940
Negative goodwill recognised as income	(317)	(1,155)
Amortisation of goodwill	1,680	2,227
Write off of construction in progress	786	57
Net interest expenses	85	1,336
Profit on disposal of interests in investment securities	(37)	(41)
Reversal of impairment in investment in joint ventures	(4,803)	–
Operating profit before working capital changes	19,015	49,901
Increase in inventories	(21,282)	(8,653)
Increase in trade and other receivables	(12,582)	(1,286)
Increase in trade and other payables	29,919	6,360
(Increase)/decrease in amounts due by an associated company	(393)	351
Decrease in amounts due by joint ventures	14	74
Decrease in amounts due from other investment	49	703
Increase in net investment in finance lease	(1,465)	(2,225)
Cash generated from operations	13,275	45,225

b. Analysis of Changes in Financing during the Year

	Share capital (including premium) HK\$'000	Bank loans HK\$'000	Minority interests HK\$'000
Balance at 1st January 2003	205,588	79,866	16,972
Effect of foreign exchange rate changes	–	6,635	214
Purchase of subsidiaries (note c)	–	–	(259)
Cash outflow from financing	–	(32,195)	–
Shares issued for non-cash consideration	4,028	–	–
Share of investment property revaluation			
surplus by minority interests	–	–	11
Minority interests' share of profit	–	–	1,054
Balance at 31st December 2003	209,616	54,306	17,992
Effect of foreign exchange rate changes	–	458	(25)
Cash inflow from financing	–	17,864	–
Shares issued for non-cash consideration	716	–	–
Share of investment property revaluation			
surplus by minority interests	–	–	39
Minority interests' share of profit	–	–	2,924
Balance at 31st December 2004	210,332	72,628	20,930

c. Purchase of Subsidiaries

	2004 HK\$'000	2003 HK\$'000
(i) Net assets acquired on further acquisition of a joint venture as subsidiary		
– Fixed assets	2,585	–
– Other investments	114	–
– Inventories	4,150	–
– Trade and other receivables	3,036	–
– Trade and other payables	(2,371)	–
– Taxation	(453)	–
	7,061	–
– Investments in joint venture previously accounted for	(5,026)	–
– Negative goodwill	(2,613)	–
	(578)	–
(ii) Further acquisition of interests in a subsidiary from minority shareholders		
– Interest acquired	–	259
– Negative goodwill	–	(61)
	–	198
Total	(578)	198
Satisfied by:		
– Cash consideration	2,830	198
– Cash and bank balances acquired	(3,408)	–
	(578)	198