

Consolidated Cash Flow Statement

Year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		125,983	115,134
Adjustments for:			
Interest income	5	(253)	(377)
Depreciation	6	34,829	27,375
Gain on disposal of fixed assets	6	(3,165)	(68)
Provision for inventories	6	—	2,739
Bad debts written off	6	418	386
Provision for doubtful debts	6	1,744	2,719
Write back of provision for doubtful debts	6	(1,540)	(344)
Write back of provision for other receivables	6	(200)	—
Finance costs	7	15,870	10,357
Operating profit before working capital changes		173,686	157,921
Increase in inventories		(68,563)	(147,458)
Decrease/(increase) in accounts and bills receivable		(27,267)	25,808
Decrease/(increase) in prepayments, deposits and other receivables		16,200	(16,701)
Decrease in amounts due from related companies		—	21,338
Increase in accounts and bills payable		5,715	35,940
Increase/(decrease) in accrued liabilities and other payables		(13,056)	9,023
Increase in amounts due to directors		—	53,292
Decrease in amounts due to related companies		—	(39,080)
Cash generated from operations		86,715	100,083
Interest received		253	377
Interest paid		(13,249)	(8,403)
Interest element of finance lease rental payments		(2,621)	(1,954)
Hong Kong profits tax paid		(10,932)	(3,896)
Overseas taxes paid		(7,398)	—
Net cash inflow from operating activities		52,768	86,207

Consolidated Cash Flow Statement *(continued)*

Year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(205,700)	(99,461)
Proceeds from disposal of fixed assets		1,030	68
Decrease/(increase) in pledged time deposits		22,703	(7,321)
Increase in non-pledged time deposits with original maturity of over three months when acquired		(5,000)	—
Net cash outflow from investing activities		(186,967)	(106,714)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	24(f)	201,600	—
Proceeds from issue of shares by a subsidiary		—	233
Share issue expenses		(15,371)	—
Capital element of finance lease rental payments		(28,304)	(16,433)
Drawdown of bank loans		704,597	753,039
Repayment of bank loans		(643,742)	(677,208)
Repayment of other loans		—	(37,166)
Net cash inflow from financing activities		218,780	22,465
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		84,581	1,958
Cash and cash equivalents at beginning of year		27,061	25,103
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		111,642	27,061
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	18	103,870	27,061
Non-pledged time deposits with original maturity of less than three months when acquired		8,009	—
Bank overdrafts, unsecured	20	(237)	—
		111,642	27,061