

Consolidated Cash Flow Statement

For the year ended 31st December, 2004

Note	2004 HK\$'000	2003 HK\$'000
Operating activities		
Profit from operations	25,303	36,560
Adjustments for:		
Interest income	(143)	(199)
Dividend income	(61)	–
Depreciation and amortisation	7,188	5,898
Loss on disposals of property, plant and equipment	8	94
Reversal of revaluation decrease on leasehold land and buildings previously charged to income statement	(554)	(56)
Allowance for doubtful debts	–	1,051
Allowance for obsolete inventories	159	452
Operating cash flows before movements in working capital	31,900	43,800
(Increase) decrease in inventories	(10,160)	1,704
Increase in debtors, deposits and prepayments	(13,155)	(13,911)
Increase (decrease) in creditors and accruals	1,283	(508)
Cash generated from operations	9,868	31,085
Interest paid	(869)	(1,225)
Finance lease charges paid	(27)	(8)
Hong Kong Profits Tax paid	(5,137)	(2,174)
Net cash generated from operating activities	3,835	27,678
Investing activities		
Interest received	143	199
Dividend received	61	–
Purchases of property, plant and equipment	(15,390)	(9,757)
Purchases of other assets	(2,074)	(1,829)
Purchases of investments in securities	(5,511)	–
Advances of loan receivable	(7,860)	–
Proceeds from disposal of property, plant and equipment	3	41
Disposal of a subsidiary	28 (4)	791
Net cash used in investing activities	(30,632)	(10,555)

Consolidated Cash Flow Statement (Continued)

For the year ended 31st December, 2004

	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
Financing activities		
New bank loans raised	10,565	17,237
Repayment of bank loans	(19,297)	(22,238)
Loan raised under finance lease arrangement	–	670
Repayment of obligations under a finance lease	(156)	(114)
Dividends paid	(14,880)	(14,400)
Proceeds from issue of shares	72,000	–
Share issue expenses	(2,304)	–
Payment on repurchase of shares	(300)	–
Net cash generated from (used in) financing activities	45,628	(18,845)
Net increase (decrease) in cash and cash equivalents	18,831	(1,722)
Cash and cash equivalents at beginning of the year	17,969	19,691
Cash and cash equivalents at end of the year	36,800	17,969
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	36,800	19,179
Bank overdrafts	–	(1,210)
	36,800	17,969