

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2004

	2004	2003
	HK\$	HK\$
<b>OPERATING ACTIVITIES</b>		
Profit from operations	47,924,501	29,024,892
Adjustments for:		
Depreciation and amortisation of property, plant and equipment	58,639,127	60,441,063
Amortisation of goodwill	1,838,758	3,098,199
Release of negative goodwill	(6,755,992)	(289,012)
Loss on disposal of property, plant and equipment	444,501	930,823
(Surplus) deficit arising on revaluation of leasehold land and buildings	(558,041)	627,942
Allowance for bad and doubtful debts	12,502,318	5,000,000
Allowance for obsolete inventories	1,397,903	4,000,000
<b>Operating cash flows before movements in working capital</b>	<b>115,433,075</b>	<b>102,833,907</b>
(Increase) decrease in inventories	(66,001,275)	6,678,495
Increase in trade and other receivables	(27,823,844)	(93,282,457)
Increase in bills receivable	(8,942)	(3,923,281)
Increase in trade and other payables	8,637,250	24,670,859
Increase in bills payable	51,278,216	1,787,736
Cash generated from operations	81,514,480	38,765,259
Tax outside Hong Kong paid	(5,069,888)	(9,858,569)
Hong Kong Profits Tax (paid) refunded	(716,655)	1,000,847
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>75,727,937</b>	<b>29,907,537</b>

## Consolidated Cash Flow Statement

For the year ended 31st December, 2004

	Note	2004 <u>HK\$</u>	2003 <u>HK\$</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(90,607,839)	(61,220,058)
Decrease in pledged bank deposits		10,007,998	4,207,053
Acquisition of associates		(4,929,570)	–
Acquisition of additional shareholding in subsidiaries from minority shareholders		(23,370,501)	(4,057,115)
Disposal of subsidiaries	29	–	47,893
Disposal of partial interests in subsidiaries		11,845,628	–
Amounts advanced to associates		(476,246)	(6,216,750)
Proceeds from disposal of property, plant and equipment		9,259,720	16,172,639
Dividend received from an associate		3,562,439	2,200,026
Interest received		760,803	527,648
Proceeds from disposal of investments in securities		1,631,343	–
Dividends received from investments in securities		110,266	308,091
Amounts advanced to investee companies		–	(87,186)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(82,205,959)</u>	<u>(48,117,759)</u>
<b>FINANCING</b>			
Repayment of bank loans		(237,748,238)	(95,749,785)
Interest paid		(19,967,833)	(17,825,958)
Repayment of obligations under finance leases		(6,294,230)	(5,583,415)
Dividends paid to minority shareholders of subsidiaries		(6,184,041)	(2,411,928)
Repayment of other loans		(8,747,269)	(329,297)
Bank loans raised		294,578,979	140,845,275
Capital contributed by minority shareholders of subsidiaries		2,311,629	748
Other loans raised		–	8,405,334
Amounts advanced from associates		12,136,923	–
Proceeds from issue of shares		–	486,200
<b>NET CASH FROM FINANCING</b>		<u>30,085,920</u>	<u>27,837,174</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>23,607,898</b>	<b>9,626,952</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>65,128,652</b>	<b>56,197,093</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>		<u>267,100</u>	<u>(695,393)</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		<u><b>89,003,650</b></u>	<u><b>65,128,652</b></u>

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For the year ended 31st December, 2004

	<u>2004</u>	<u>2003</u>
	<i>HK\$</i>	<i>HK\$</i>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Bank balances and cash	<b>107,535,639</b>	103,507,801
Bank overdrafts	<b>(18,531,989)</b>	(38,379,149)
	<b><u>89,003,650</u></b>	<u>65,128,652</u>