

## Consolidated Cash Flow Statement

*For the year ended 31st December 2004*

	<b>2004</b> <b>HK\$'000</b>	2003 HK\$'000
Operating activities		
Loss before taxation	<b>(30,197)</b>	(24,351)
Adjustments for:–		
Interest expenses	<b>9</b>	16
Interest income	<b>(78)</b>	(51)
Loss on written off of property, plant and equipment	<b>33</b>	–
Deficit on revaluation of investment properties	<b>520</b>	–
Amortisation and depreciation on property, plant and equipment	<b>14,444</b>	14,707
Net gain on disposal of property, plant and equipment	<b>(1,115)</b>	(194)
Loss on disposal of investment securities	<b>–</b>	14
Impairment loss recognised on investment securities	<b>25</b>	–
Unrealised loss/(gain) on other investments	<b>132</b>	(10)
Provision for inventories	<b>2,364</b>	878
(Decrease)/increase in provision for bad and doubtful debts	<b>(514)</b>	99
Operating cash flows before movements in working capital	<b>(14,377)</b>	(8,892)
(Increase)/decrease in inventories	<b>(637)</b>	24,247
(Increase)/decrease in trade and bill receivables	<b>(3,586)</b>	4,041
(Increase)/decrease in deposits, prepayments and other receivables	<b>(1,160)</b>	174
Increase/(decrease) in trade and bill payables	<b>20,230</b>	(2,098)
(Decrease)/increase in accruals and other payables	<b>(16,622)</b>	3,314
Decrease in retirement benefit obligations	<b>(1,721)</b>	(312)
Cash (used in)/generated from operations	<b>(17,873)</b>	20,474
Hong Kong profits tax paid	<b>(629)</b>	(585)
Overseas tax paid	<b>(2)</b>	(96)
Net cash (used in)/generated from operating activities	<b>(18,504)</b>	19,793

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For the year ended 31st December 2004

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	2004 HK\$'000	2003 HK\$'000
Investing activities		
Purchase of property, plant and equipment and expenditure on construction-in-progress	(9,109)	(21,110)
Sales proceeds from disposal of property, plant and equipment	2,248	308
Decrease in pledged bank deposits	–	15,652
Interest received	78	51
Net cash used in investing activities	<u>(6,783)</u>	<u>(5,099)</u>
Financing activities		
Proceeds from issue of shares	120	–
Repayment of bank loan	(6,023)	(5,138)
Dividend paid	–	(5,362)
Dividend paid to a minority shareholder of a subsidiary	–	(1,250)
Interest paid	(9)	(16)
Net cash used in financing activities	<u>(5,912)</u>	<u>(11,766)</u>
Net (decrease)/increase in cash and cash equivalents	<b>(31,199)</b>	2,928
Cash and cash equivalents at 1st January	<b>57,585</b>	54,232
Effect of changes in exchange rate	<u>(197)</u>	425
Cash and cash equivalents at 31st December	<b><u>26,189</u></b>	<b><u>57,585</u></b>
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	<b>27,038</b>	57,585
Bank overdraft	<u>(849)</u>	–
	<b><u>26,189</u></b>	<b><u>57,585</u></b>