

Consolidated Cash Flow Statement

For the year ended 31 December 2004

	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(8,309)	(8,401)
Adjustments for:		
Finance costs	13,567	15,076
Share of profits less losses of associates	(2,791)	(1,727)
Gain arising from disposal of interests in associates	(10,900)	–
Interest income	(66)	(71)
Gain arising from group reorganisation	–	(29,638)
Gain on disposal of property, plant and equipment	(29)	(81)
Depreciation	13,645	14,068
Provision for doubtful debts	–	5,074
Provision against inventories	238	7,168
Exchange differences	(143)	(453)
Operating profit before working capital changes	5,212	1,015
Decrease in trade receivables	2,675	2,160
Decrease/(increase) in bills receivable	1,081	(752)
Decrease in prepayments, deposits and other receivables	490	734
(Increase)/decrease in inventories	(1,900)	3,184
Decrease in net amounts due to associates	3,648	823
(Decrease)/increase in trade payables	(8,931)	5,034
(Decrease)/increase in other payables and accruals	(7,313)	1,420
Decrease in provision for long service payments	(111)	(222)
CASH (USED IN)/GENERATED FROM OPERATIONS	(5,149)	13,396
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	66	71
Dividends received from associates	5,000	–
Purchase of property, plant and equipment	(3,000)	(1,053)
Proceeds from disposal of property, plant and equipment	211	135
Proceeds from disposal of interests in associates	4,700	–
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	6,977	(847)

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For the year ended 31 December 2004

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CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loan due to Probest	–	(37,000)
Issue of new shares	–	37,347
NET CASH INFLOW FROM FINANCING ACTIVITIES	–	347
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,828	12,896
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	36,979	24,083
CASH AND CASH EQUIVALENTS AT END OF YEAR	38,807	36,979
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	38,429	36,601
Time deposits with original maturity of less than three months when acquired	378	378
	38,807	36,979

The notes on pages 33 to 64 form an integral part of these financial statements.