

Consolidated Cash Flow Statement

Year ended 31 December 2004

	<i>Notes</i>	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		17,354	18,926
Adjustments for:			
Finance costs	7	490	263
Interest income	5	(459)	(605)
Share of profits and losses of associates		307	(675)
Amortisation of goodwill on acquisition of associates		805	671
Depreciation	6	9,264	6,517
Loss on disposal of fixed assets, net	6	262	4
Provision against obsolete inventories	6	6,743	1,250
Revaluation surplus of fixed assets	6	–	(64)
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Operating profit before working capital changes		34,766	26,287
Increase in inventories		(48,054)	(2,996)
Increase in trade receivables		(23,449)	(14,168)
Increase in prepayments, deposits and other receivables		(5,922)	(3,956)
Decrease in an amount due from a related company		14	4
Increase in trade payables		34,165	4,767
Increase/(decrease) in other payables and accruals		(6,219)	7,013
Exchange adjustments		(17)	(139)
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Cash generated from/(used in) operations		(14,716)	16,812
Interest received		459	605
Interest paid		(490)	(263)
Hong Kong profits tax paid		(1,089)	(4,435)
Overseas taxes paid		(613)	(695)
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Net cash inflow/(outflow) from operating activities		(16,449)	12,024

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Year ended 31 December 2004

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Net cash inflow/(outflow) from operating activities		(16,449)	12,024
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(12,309)	(69,403)
Decrease in a loan receivable		2,780	275
Acquisition of associates		–	(6,440)
Advance to an associate	16	(1,959)	–
Net cash outflow from investing activities		(11,488)	(75,568)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	25	–	27,360
Share issue expenses	25	–	(1,120)
New bank loans		10,000	20,000
Repayment of bank loans		(14,470)	–
Dividends paid		(4,480)	(13,376)
Net cash inflow/(outflow) from financing activities		(8,950)	32,864
NET DECREASE IN CASH AND CASH EQUIVALENTS		(36,887)	(30,680)
Cash and cash equivalents at beginning of year		56,349	87,029
CASH AND CASH EQUIVALENTS AT END OF YEAR		19,462	56,349
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	11,406	16,789
Time deposits with original maturity of less than three months when acquired	21	8,056	39,560
		19,462	56,349