

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2004

Notes	2004 HK\$'000	2003 HK\$'000
<b>Cash flows from operating activities</b>		
Profit before taxation	20,402	7,316
Adjustments for:		
Amortisation of goodwill	2,472	2,472
Amortisation of other intangible assets	1,239	–
Depreciation on property, plant and equipment	15,823	18,734
Share of profit of an associate	–	(751)
Allowance for bad debt expenses	150	2
Interest income	(142)	(168)
Interest expenses on bank borrowings and other loan	7,106	7,027
Interest expenses on obligations under finance leases and hire purchase contracts	1,177	1,775
Gain on disposal of a subsidiary	(619)	(3,200)
Loss on disposal of property, plant and equipment	145	214
Release from payment for assets purchased	(3,510)	–
Exchange difference	622	602
Operating cash flows before movements in working capital	44,865	34,023
Decrease/(Increase) in inventories	14,819	(1,047)
Increase in debtors, deposits and prepayments	(60,707)	(24,057)
Increase/(Decrease) in trade and other payables	9,540	(9,211)
Decrease in amount due to an associate	–	(535)
Cash generated from/(used in) operating activities	8,517	(827)
Hong Kong profits tax (paid)/refunded	(98)	788
Overseas tax refunded/(paid)	363	(1,036)
<b>Net cash generated from/(used in) operating activities</b>	<b>8,782</b>	<b>(1,075)</b>

	Notes	2004 HK\$'000	2003 HK\$'000
<b>Cash flows from investing activities</b>			
Interest received		142	168
Capital contribution from minority interests		–	799
Purchase of property, plant and equipment	33	(11,065)	(19,153)
Proceeds from disposal of property, plant and equipment		571	485
Proceeds from disposal of a subsidiary (net of cash and cash equivalents disposed of)	32	1,125	–
Proceeds from disposal of an associate		–	5,031
Product development costs and technical know-how fees incurred		(16,641)	(4,650)
Bank deposits pledged		–	(1,172)
<b>Net cash used in investing activities</b>		<b>(25,868)</b>	<b>(18,492)</b>
<b>Cash flows from financing activities</b>			
Dividend paid		–	(1,792)
Interest paid on bank borrowings and other loan		(7,106)	(7,027)
Interest paid on obligations under finance leases and hire purchase contracts		(1,177)	(1,775)
Proceeds from issue of shares less issuing expenses of HK\$576,000		–	8,704
Redemption of convertible notes		(2,300)	–
New bank and other borrowings raised		69,019	186,144
Repayment of bank loans		(37,528)	(166,444)
Proceeds from sale and lease back transactions		11,181	27,770
Repayment of obligations under finance leases and hire purchase contracts		(24,341)	(25,565)
<b>Net cash generated from financing activities</b>		<b>7,748</b>	<b>20,015</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(9,338)</b>	<b>448</b>
<b>Cash and cash equivalents at 1 January</b>		<b>22,625</b>	<b>22,177</b>
<b>Cash and cash equivalents at 31 December</b>		<b>13,287</b>	<b>22,625</b>
<b>Analysis of the balances of cash and cash equivalents</b>			
Bank balances and cash		35,416	43,648
Bank overdrafts		(22,129)	(21,023)
		<b>13,287</b>	<b>22,625</b>