

Consolidated Cash Flow Statement

For the year ended 31 December 2004

Note	2004 HK\$'000	2003 HK\$'000
Cash flows from operating activities		
Loss before taxation	(14,116)	(4,776)
Adjustments for:		
Depreciation and amortisation on property, plant and equipment	8,253	8,804
Amortisation of goodwill	269	269
Amortisation of production and distribution rights	1,000	333
Impairment loss on production and distribution rights	3,667	–
Provision for slow moving inventories	2,191	1,446
Bad debts written off	49	552
(Surplus)/Deficits on revaluation		
– investment properties	–	1,743
– leasehold land and buildings	(307)	1,092
Write off of property, plant and equipment	25	3,374
Loss on disposal of		
– investment properties	440	362
– other property, plant and equipment	121	24
Share of loss/(profit) of an associate	65	(460)
Share of loss of a jointly controlled entity	487	–
Realised losses on short term investments	148	–
Unrealised holding losses/(gains) on short term investments	194	(953)
Gain on disposal of a subsidiary	(69)	–
Loss on dissolution of a subsidiary	448	–
Interest expenses	3,549	2,397
Interest income	(242)	(327)
Operating profit before working capital changes	6,172	13,880
Decrease/(Increase) in inventories	3,343	(2,126)
Decrease in trade and bills receivables	4,937	2,582
Decrease in other receivables	1,009	1,665
(Increase)/Decrease in amount due from an associate	(325)	1,051
Increase/(Decrease) in trust receipt loans (secured)	715	(216)
(Decrease)/Increase in trade and bills payables	(818)	3,957
Decrease in other payables and accruals	(329)	(430)
Cash generated from operations	14,704	20,363
Interest paid	(2,285)	(2,318)
Interest element of finance lease payments	(94)	(79)
Income taxes paid	(113)	(598)
<i>Net cash generated from operating activities</i>	12,212	17,368
Cash flows from investing activities		
Payment to acquire production and distribution rights	–	(5,000)
Payments to acquire property, plant and equipment	(5,189)	(2,898)
Proceeds from disposal of investment properties	4,077	120
Proceeds from disposal of other property, plant and equipment	1,288	231
Proceeds from disposal of short term investments	10,395	–
Capital contribution to a jointly controlled entity	(14,054)	–
Net inflow of cash in respect of the disposal of a subsidiary	91	–
Contribution of share capital from minority shareholder	–	51
Interest received	242	327
<i>Net cash used in investing activities</i>	(3,150)	(7,169)

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For the year ended 31 December 2004

	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
Cash flows from financing activities		
Proceeds from issuance of shares	–	1,384
New bank loans	15,888	18,869
Repayment of bank loans	(16,841)	(18,652)
Repayment of finance lease payables	(640)	(543)
<i>Net cash (used in)/generated from financing activities</i>	(1,593)	1,058
Net increase in cash and bank balances	7,469	11,257
Cash and bank balances at 1 January	49,147	37,890
Cash and bank balances at 31 December	56,616	49,147