

Consolidated Cash Flow Statement

For the year ended 31 December 2004



	2004 HK\$'000	2003 HK\$'000
CASH FROM OPERATING ACTIVITIES		
Loss before taxation	(18,807)	(8,264)
Adjustments for:		
Interest income	(4)	(10)
Interest expenses	198	279
Depreciation of property, plant and equipment	8,324	9,413
Amortisation of intangible assets	706	–
Provision for doubtful debts	2,988	16,783
Provision for inventory obsolescence	2,705	7,389
Net (gain)/loss on disposal of property, plant and equipment	(415)	36
Effect of foreign exchange rate changes	(594)	(458)
Operating cash flow before movements in working capital	(4,899)	25,168
Decrease/(increase) in inventories	7,063	(14,828)
Decrease/(increase) in trade receivables	2,119	(2,073)
(Increase)/decrease in prepayments, deposits and other receivables	(4,073)	655
Increase/(decrease) in trade payables	85	(13,100)
Increase/(decrease) in other payables and accruals	397	(2,150)
Cash generated from/(used in) operations	692	(6,328)
Interests paid on bank loans and overdrafts	(198)	(279)
Income taxes paid	(25)	(96)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	469	(6,703)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(40)	(1,462)
Additions of intangible assets	(3,531)	–
Proceeds from disposal of property, plant and equipment	915	95
Interest received	4	10
NET CASH USED IN INVESTING ACTIVITIES	(2,652)	(1,357)



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	Note	2004 HK\$'000	2003 HK\$'000
FINANCING ACTIVITIES			
New bank loans raised		2,959	20,792
Repayments of bank loans		(6,739)	(25,377)
Proceeds from issue of shares on private placement		9,440	–
Share issue expenses		(271)	–
NET CASH FROM/(USED IN) FINANCING ACTIVITIES		5,389	(4,585)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		2,245	14,890
CASH AND CASH EQUIVALENTS AT END OF YEAR		5,451	2,245
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENT			
Bank balances and cash		5,451	2,562
Bank overdrafts	20	–	(317)
		5,451	2,245