

Consolidated Cash Flow Statement

For the year ended 31 December, 2004

	Note	2004 HK\$'000	2003 HK\$'000
OPERATING ACTIVITIES			
Profit before taxation		13,009	13,299
Adjustments for:			
Depreciation and amortisation of property, plant and equipment		3,052	3,193
Allowance for obsolete stocks		2,595	–
Amortisation of intangible assets		1,484	508
Interest expenses		6,049	6,359
Interest income		(85)	(341)
Loss on disposal of property, plant and equipment		–	101
Operating cash flows before movements in working capital		26,104	23,119
Decrease in inventories		16,836	9,746
Decrease (increase) in trade receivables		21,823	(2,234)
Decrease (increase) in deposits and other receivable		3,727	(7,079)
Increase in amounts due from related companies		(1,463)	–
Decrease in trade payables		(32,142)	(10,226)
Increase in accruals and other payables		3,856	2,032
Increase in amounts due to directors		3,831	–
Cash generated from operations		42,572	15,358
Interest received		85	341
Interest paid		(6,049)	(6,359)
PRC income tax paid		(1,773)	(14,188)
NET CASH FROM (USED IN) OPERATING ACTIVITIES		34,835	(4,848)
INVESTING ACTIVITIES			
Acquisition of a subsidiary	25	(28,000)	–
Purchase of intangible assets		(4,717)	–
Purchase of property, plant and equipment		(779)	(391)
Decrease in pledged bank deposits		10,428	6,797
Proceeds on disposal of an associate		–	9,434
Proceeds from disposal of property, plant and equipment		–	151
Deposits refunded		–	142
NET CASH (USED IN) FROM INVESTING ACTIVITIES		(23,068)	16,133

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FINANCING ACTIVITIES		
Repayments of bank borrowings	(98,887)	(80,038)
Repayments of obligations under a finance lease	(190)	(190)
Bank borrowings raised	92,358	77,076
Issue of preferred shares by a subsidiary	–	31,200
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(6,719)	28,048
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,048	39,333
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	49,415	10,082
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTED BY BANK BALANCES AND CASH	54,463	49,415