

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31ST DECEMBER, 2002

	2002 <i>HK\$'000</i>	2001 <i>HK\$'000</i>
OPERATING ACTIVITIES		
Profit from operations	19,655	34,423
Adjustments for:		
Interest income	(1,079)	(2,712)
Allowance for bad and doubtful debt	389	4,479
Allowance for inventory	–	353
Write back of allowance for bad and doubtful debts	(3,064)	(11,773)
Write back of provision for restructuring fees	–	(811)
Write back of provision for severance payments	–	(4,830)
Write back of provision for claims	–	(6,898)
Depreciation	10,717	10,015
Loss on disposal of property, plant and equipment	251	310
Operating cash flows before movements in working capital	26,869	22,556
(Increase) decrease in inventories	(2,152)	15,636
Decrease in trade and other receivables	10,311	18,018
(Increase) decrease in amounts due from customers for contract work	(7)	62
Decrease (increase) in amounts due from fellow subsidiaries	299	(1,090)
Decrease in amounts due to customers for contract work	(13,724)	(12,610)
Decrease in trade and other payables	(6,112)	(15,694)
Decrease in amounts due to fellow subsidiaries	(3,455)	(7,980)
Cash generated from operations	12,029	18,898
Hong Kong Profits Tax paid	(509)	–
NET CASH FROM OPERATING ACTIVITIES	11,520	18,898
INVESTING ACTIVITIES		
Interest received	555	1,931
Expenses for proposed investment written off	–	(7,161)
Purchase of property, plant and equipment	(863)	(3,214)
Proceeds from disposal of property, plant and equipment	675	36
Decrease in pledged bank deposits	434	15,497
Decrease in long-term receivables	169	144
Repayment of promissory note	–	(20,000)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	970	(12,767)
FINANCING ACTIVITIES		
Dividend paid	(8,994)	(8,994)
Interest paid	(1,008)	(2,866)
Repayment of obligations under finance leases	(5,540)	(4,268)
New trust receipt loans raised	43,783	92,438
Repayment of trust receipt loans	(48,747)	(89,743)
(Repayment to) advance from a shareholder of the ultimate holding company	(124)	124
NET CASH USED IN FINANCING ACTIVITIES	(20,630)	(13,309)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,140)	(7,178)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	44,176	51,354
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	36,036	44,176
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	36,036	44,176