## **Consolidated Cash Flow Statement**

For the year ended 31 December, 2002

2002   2001   HK\$'000			
OPERATING ACTIVITIES         21,018         26,481           Adjustments for:         2,718         2,181           Depreciation and amortisation         2,718         2,181           Interest expenses         5,173         2,770           Interest income         (373)         (698)           (Gain) loss on disposal of property, plant and equipment         (88)         76           Operating cash flows before movements in working capital         28,448         30,610           (Increase) increase in inventories         (81,695)         20,077           Decrease) (increase) in trade receivables         40,978         (55,772)           Increase in deposits and other receivable         (2,765)         (8,606)           (Decrease) increase in trade payables         (2,773)         (3,991)           (Decrease) increase in trade payables         (2,773)         (5,597)           (Decrease) increase in accruals and other payables         (9,971)         4,296           Cash used in operations         (27,732)         (5,597)           Interest received         373         898           Interest received         373         898           Interest paid         (5,173)         (2,770)           PC income tax paid         (1,472)         (190) <th></th> <th>2002</th> <th>2001</th>		2002	2001
Profit before taxation         21,018         26,481           Adjustments for:         2-preciation and amortisation         2,718         2,181           Interest expenses         5,173         2,770         1,173         2,770           Interest income         (373)         (898)         (698)         (698)         (698)         (699)         (698)         (76           Operating cash flows before movements in working capital (Increase) decrease in inventories         (81,695)         20,077         20,077         20,078         (55,772)         (55,772)         (65,772)         (77,02)         (8,695)         20,077         20,078         (55,772)         (77,02)         (77,02)         (8,695)         20,077         20,078         (8,6772)         (7,655)         (8,660)         (8,660)         (8,695)         20,077         3,798         (9,277)         3,798         (9,277)         3,798         (9,277)         3,798         (9,277)         3,798         (9,271)         4,296         4,296         4,277         3,798         (9,271)         4,296         4,296         4,296         4,277         3,798         1,297         1,277         1,277         1,277         1,277         1,277         1,277         1,277         1,277         1,277         1,277<		HK\$'000	HK\$'000
Adjustments for:         Depreciation and amortisation         2,718         2,181           Interest expenses         5,173         2,770           (Cain) loss on disposal of property, plant and equipment         (88)         76           Operating cash flows before movements in working capital (increase) decrease in inventories         (81,695)         20,077           Decrease (increase) in trade receivables         40,978         (55,772)           Increase in deposits and other receivables         (2,765)         (8,605)           (Decrease) increase in trade payables         (2,765)         (8,605)           (Decrease) increase in accruals and other payables         (9,971)         4,296           Cash used in operations         (27,732)         (5,597)           Interest received         373         898           Interest paid         (5,173)         (2,770)           PRC income tax paid         (1,472)         (190)           NET CASH USED IN OPERATING ACTIVITIES         (34,004)         (7,659)           Increase in pledged bank deposits         (15,442)         (9,254)           Increase in deposits paid         (2,877)         -           Acquisition of investment securities         (1,000)         -           Proceeds from disposal of property, plant and equipment	OPERATING ACTIVITIES		
Adjustments for:         Depreciation and amortisation         2,718         2,181           Interest expenses         5,173         2,770           Interest income         (373)         (898)           (Cain) loss on disposal of property, plant and equipment         (88)         76           Operating cash flows before movements in working capital (increase) decrease in inventories         (81,695)         20,077           Decrease (increase) in trade receivables         40,978         (55,772)           Increase in deposits and other receivable         (2,765)         (8,665)           (Decrease) increase in trade payables         (2,765)         (8,665)           (Decrease) increase in accruals and other payables         (9,971)         4,296           Cash used in operations         (27,732)         (5,597)           Interest received         373         898           Interest paid         (5,173)         (2,770)           PRC Income tax paid         (1,472)         (190)           NET CASH USED IN OPERATING ACTIVITIES         (34,004)         (7,659)           INVESTING ACTIVITIES         (15,442)         (9,254)           Increase in pledged bank deposits         (15,442)         (9,254)           Increase in pledged bank deposits paid         (2,877)         -	Profit before taxation	21,018	26,481
Interest expenses	Adjustments for:	·	·
Interest income (373) (898) (Gain) loss on disposal of property, plant and equipment (88) 76	Depreciation and amortisation	2,718	2,181
(Gain) loss on disposal of property, plant and equipment         (88)         76           Operating cash flows before movements in working capital (Increase) decrease in inventories         28,448         30,610           (Increase) decrease in inventories         (81,695)         20,077           Decrease (increase) in trade receivables         40,978         (55,772)           Increase in deposits and other receivable         (2,765)         (8,606)           (Decrease) increase in trade payables         (2,727)         3,798           (Decrease) increase in accruals and other payables         (9,971)         4,296           Cash used in operations         (27,732)         (5,597)           Interest received         373         898           Interest paid         (5,173)         (2,770)           PRC income tax paid         (1,472)         (190)           NET CASH USED IN OPERATING ACTIVITIES         (34,004)         (7,659)           INVESTING ACTIVITIES         (1,000)         -           Increase in pledged bank deposits         (15,442)         (9,254)           Increase in pledged bank deposits         (1,000)         -           Proceeds from disposal of property, plant and equipment         1,070         36           Purchase of property, plant and equipment         (4,710)	Interest expenses	5,173	2,770
Operating cash flows before movements in working capital         28,448         30,610           (Increase) decrease in inventories         (81,695)         20,077           Decrease (increase) in trade receivables         40,978         (55,772)           Increase in deposits and other receivable         (2,765)         (8,606)           (Decrease) increase in trade payables         (2,727)         3,798           (Decrease) increase in accruals and other payables         (9,971)         4,296           Cash used in operations         (27,732)         (5,597)           Interest received         373         898           Interest paid         (5,173)         (2,770)           PRC income tax paid         (1,472)         (190)           INVESTING ACTIVITIES         (34,004)         (7,659)           INVESTING ACTIVITIES         (15,442)         (9,254)           Increase in pledged bank deposits         (15,442)         (9,254)           Increase in deposits paid         (2,877)         -           Acquisition of investment securities         (1,000)         -           Proceeds from disposal of property, plant and equipment         1,070         36           Purchase of property, plant and equipment         (4,710)         (5,216)           Acquisition of	Interest income	(373)	(898)
(Increase) decrease in inventories         (81,695)         20,077           Decrease (increase) in trade receivables         40,978         (55,772)           Increase in deposits and other receivable         (2,765)         (8,606)           (Decrease) increase in trade payables         (2,727)         3,798           (Decrease) increase in accruals and other payables         (9,971)         4,296           Cash used in operations         (27,732)         (5,597)           Interest received         373         898           Interest paid         (5,173)         (2,770)           PRC income tax paid         (1,472)         (1990)           NET CASH USED IN OPERATING ACTIVITIES         (34,004)         (7,659)           INVESTING ACTIVITIES         (15,442)         (9,254)           Increase in pledged bank deposits         (15,442)         (9,254)           Increase in deposits paid         (2,877)         -           Acquisition of investment securities         (1,000)         -           Proceeds from disposal of property, plant and equipment         (4,710)         (5,216)           Acquisition of an associate         (9,434)         -           Purchase of intangible asset         (2,830)         -           NET CASH USED IN INVESTING ACTIVITIES	(Gain) loss on disposal of property, plant and equipment	(88)	76
(Increase) decrease in inventories         (81,695)         20,077           Decrease (increase) in trade receivables         40,978         (55,772)           Increase in deposits and other receivable         (2,765)         (8,606)           (Decrease) increase in trade payables         (2,727)         3,798           (Decrease) increase in accruals and other payables         (9,971)         4,296           Cash used in operations         (27,732)         (5,597)           Interest received         373         898           Interest paid         (5,173)         (2,770)           PRC income tax paid         (1,472)         (1990)           NET CASH USED IN OPERATING ACTIVITIES         (34,004)         (7,659)           INVESTING ACTIVITIES         (15,442)         (9,254)           Increase in pledged bank deposits         (15,442)         (9,254)           Increase in deposits paid         (2,877)         -           Acquisition of investment securities         (1,000)         -           Proceeds from disposal of property, plant and equipment         (4,710)         (5,216)           Acquisition of an associate         (9,434)         -           Purchase of intangible asset         (2,830)         -           NET CASH USED IN INVESTING ACTIVITIES	Operating cash flows before movements in working capital	28,448	30,610
Increase in deposits and other receivable (2,765) (8,606) (Decrease) increase in trade payables (2,727) 3,798 (Decrease) increase in accruals and other payables (9,971) 4,296 (Cash used in operations (27,732) (5,597) (1,		(81,695)	20,077
(Decrease) increase in trade payables         (2,727)         3,798           (Decrease) increase in accruals and other payables         (9,971)         4,296           Cash used in operations         (27,732)         (5,597)           Interest received         373         898           Interest paid         (5,173)         (2,770)           PRC income tax paid         (1,472)         (190)           NET CASH USED IN OPERATING ACTIVITIES         (34,004)         (7,659)           INVESTING ACTIVITIES         (34,004)         (7,659)           Increase in pledged bank deposits         (15,442)         (9,254)           Increase in deposits paid         (2,877)         -           Acquisition of investment securities         (1,000)         -           Proceeds from disposal of property, plant and equipment         1,070         36           Purchase of property, plant and equipment         (4,710)         (5,216)           Acquisition of an associate         (9,434)         -           Purchase of intangible asset         (2,830)         -           NET CASH USED IN INVESTING ACTIVITIES         (35,223)         (14,434)           FINANCING ACTIVITIES         (36,764)         (12,589)           Dividends paid to a minority shareholder of a subsidiary	Decrease (increase) in trade receivables	40,978	(55,772)
(Decrease) increase in accruals and other payables         (9,971)         4,296           Cash used in operations         (27,732)         (5,597)           Interest received         373         898           Interest paid         (5,173)         (2,770)           PRC income tax paid         (1,472)         (190)           NET CASH USED IN OPERATING ACTIVITIES         (34,004)         (7,659)           INVESTING ACTIVITIES         (15,442)         (9,254)           Increase in pledged bank deposits         (15,442)         (9,254)           Increase in deposits paid         (2,877)         -           Acquisition of investment securities         (1,000)         -           Proceeds from disposal of property, plant and equipment         1,070         36           Purchase of property, plant and equipment         (4,710)         (5,216)           Acquisition of an associate         (9,434)         -           Purchase of intangible asset         (2,830)         -           NET CASH USED IN INVESTING ACTIVITIES         (35,223)         (14,434)           FINANCING ACTIVITIES         (8,760)         (36,764)           Dividends paid         (8,760)         (36,764)           Dividends paid to a minority shareholder of a subsidiary         -	Increase in deposits and other receivable	(2,765)	(8,606)
Cash used in operations         (27,732)         (5,597)           Interest received         373         898           Interest paid         (5,173)         (2,770)           PRC income tax paid         (1,472)         (190)           NET CASH USED IN OPERATING ACTIVITIES         (34,004)         (7,659)           INVESTING ACTIVITIES         (15,442)         (9,254)           Increase in pledged bank deposits         (15,442)         (9,254)           Increase in deposits paid         (2,877)         -           Acquisition of investment securities         (1,000)         -           Proceeds from disposal of property, plant and equipment         1,070         36           Purchase of property, plant and equipment         (4,710)         (5,216)           Acquisition of an associate         (9,434)         -           Purchase of intangible asset         (2,830)         -           NET CASH USED IN INVESTING ACTIVITIES         (35,223)         (14,434)           FINANCING ACTIVITIES         (8,760)         (36,764)           Dividends paid         (8,760)         (36,764)           Dividends paid to a minority shareholder of a subsidiary         -         (12,589)           Repayments of bank borrowings         (58,491)         (41,424)	(Decrease) increase in trade payables	(2,727)	3,798
Interest received         373         898           Interest paid         (5,173)         (2,770)           PRC income tax paid         (1,472)         (190)           NET CASH USED IN OPERATING ACTIVITIES         (34,004)         (7,659)           INVESTING ACTIVITIES         (15,442)         (9,254)           Increase in pledged bank deposits         (15,442)         (9,254)           Increase in deposits paid         (2,877)         -           Acquisition of investment securities         (1,000)         -           Proceeds from disposal of property, plant and equipment         1,070         36           Purchase of property, plant and equipment         (4,710)         (5,216)           Acquisition of an associate         (9,434)         -           Purchase of intangible asset         (2,830)         -           NET CASH USED IN INVESTING ACTIVITIES         (35,223)         (14,434)           FINANCING ACTIVITIES         (36,764)         (36,764)           Dividends paid to a minority shareholder of a subsidiary         -         (12,589)           Repayments of bank borrowings         (58,491)         (41,424)           Repayments of obligations under a finance lease         (222)         -           Bank borrowings raised         95,472 <td>(Decrease) increase in accruals and other payables</td> <td>(9,971)</td> <td>4,296</td>	(Decrease) increase in accruals and other payables	(9,971)	4,296
Interest paid   (5,173)   (2,770)	Cash used in operations	(27,732)	(5,597)
PRC income tax paid         (1,472)         (190)           NET CASH USED IN OPERATING ACTIVITIES         (34,004)         (7,659)           INVESTING ACTIVITIES         (15,442)         (9,254)           Increase in pledged bank deposits         (15,442)         (9,254)           Increase in deposits paid         (2,877)         -           Acquisition of investment securities         (1,000)         -           Proceeds from disposal of property, plant and equipment         1,070         36           Purchase of property, plant and equipment         (4,710)         (5,216)           Acquisition of an associate         (9,434)         -           Purchase of intangible asset         (2,830)         -           NET CASH USED IN INVESTING ACTIVITIES         (35,223)         (14,434)           FINANCING ACTIVITIES         (8,760)         (36,764)           Dividends paid         (8,760)         (36,764)           Dividends paid to a minority shareholder of a subsidiary         -         (12,599)           Repayments of bank borrowings         (58,491)         (41,424)           Repayments of obligations under a finance lease         (222)         -           Bank borrowings raised         95,472         61,321           Issue of shares to public	Interest received	373	898
NET CASH USED IN OPERATING ACTIVITIES         (34,004)         (7,659)           INVESTING ACTIVITIES         (15,442)         (9,254)           Increase in pledged bank deposits         (2,877)         -           Acquisition of investment securities         (1,000)         -           Proceeds from disposal of property, plant and equipment         1,070         36           Purchase of property, plant and equipment         (4,710)         (5,216)           Acquisition of an associate         (9,434)         -           Purchase of intangible asset         (2,830)         -           NET CASH USED IN INVESTING ACTIVITIES         (35,223)         (14,434)           FINANCING ACTIVITIES         (8,760)         (36,764)           Dividends paid         (8,760)         (36,764)           Dividends paid to a minority shareholder of a subsidiary         -         (12,589)           Repayments of bank borrowings         (58,491)         (41,424)           Repayments of obligations under a finance lease         (222)         -           Bank borrowings raised         95,472         61,321           Issue of shares to public         -         83,680           Expenses incurred in connection with issue of shares         -         (12,701)	Interest paid	(5,173)	(2,770)
Investing Activities Increase in pledged bank deposits Increase in deposits paid Acquisition of investment securities Proceeds from disposal of property, plant and equipment Purchase of property, plant and equipment Acquisition of an associate Purchase of intangible asset (2,830)  NET CASH USED IN INVESTING ACTIVITIES (35,223)  FINANCING ACTIVITIES Dividends paid Dividends paid (8,760) Dividends paid to a minority shareholder of a subsidiary Repayments of obligations under a finance lease (222) Bank borrowings raised Expenses incurred in connection with issue of shares  - (12,701)	PRC income tax paid	(1,472)	(190)
Increase in pledged bank deposits  Increase in deposits paid  Increase in deposits paid increase in deposits  Increase in deposits paid increase increase increase increase in deposits paid increase in deposits paid increase increas	NET CASH USED IN OPERATING ACTIVITIES	(34,004)	(7,659)
Increase in deposits paid  Acquisition of investment securities  Proceeds from disposal of property, plant and equipment  1,070  36  Purchase of property, plant and equipment  Acquisition of an associate  Purchase of intangible asset  (2,830)  NET CASH USED IN INVESTING ACTIVITIES  (35,223)  (14,434)  FINANCING ACTIVITIES  Dividends paid  (8,760)  Dividends paid to a minority shareholder of a subsidiary  Repayments of bank borrowings  Repayments of obligations under a finance lease  (222)  Bank borrowings raised  95,472  61,321  Issue of shares to public  Expenses incurred in connection with issue of shares  - (12,701)	INVESTING ACTIVITIES		
Acquisition of investment securities  Proceeds from disposal of property, plant and equipment  1,070  36  Purchase of property, plant and equipment  Acquisition of an associate  Purchase of intangible asset  (2,830)  NET CASH USED IN INVESTING ACTIVITIES  (35,223)  FINANCING ACTIVITIES  Dividends paid  (8,760)  Dividends paid to a minority shareholder of a subsidiary  Repayments of bank borrowings  Repayments of obligations under a finance lease  (222)  Bank borrowings raised  95,472  61,321  Issue of shares to public  Expenses incurred in connection with issue of shares  - (12,701)	Increase in pledged bank deposits	(15,442)	(9,254)
Proceeds from disposal of property, plant and equipment  1,070  36  Purchase of property, plant and equipment  4,710)  (5,216)  Acquisition of an associate  (9,434)  Purchase of intangible asset  (2,830)  NET CASH USED IN INVESTING ACTIVITIES  (35,223)  (14,434)  FINANCING ACTIVITIES  Dividends paid  (8,760)  Dividends paid to a minority shareholder of a subsidiary  Repayments of bank borrowings  (58,491)  Repayments of obligations under a finance lease  (222)  Bank borrowings raised  95,472  61,321  Issue of shares to public  Expenses incurred in connection with issue of shares  - (12,701)	Increase in deposits paid	(2,877)	_
Purchase of property, plant and equipment  Acquisition of an associate  Purchase of intangible asset  (2,830)  NET CASH USED IN INVESTING ACTIVITIES  (35,223)  FINANCING ACTIVITIES  Dividends paid  (8,760)  Dividends paid to a minority shareholder of a subsidiary  Repayments of bank borrowings  Repayments of obligations under a finance lease  (222)  Bank borrowings raised  95,472  61,321  Issue of shares to public  Expenses incurred in connection with issue of shares  - (12,701)	Acquisition of investment securities	(1,000)	_
Acquisition of an associate Purchase of intangible asset  (2,830)  NET CASH USED IN INVESTING ACTIVITIES  (35,223)  (14,434)  FINANCING ACTIVITIES  Dividends paid  (8,760)  Dividends paid to a minority shareholder of a subsidiary  Repayments of bank borrowings  (58,491)  Repayments of obligations under a finance lease  (222)  Bank borrowings raised  (51,321)  Issue of shares to public  Expenses incurred in connection with issue of shares  (12,701)	Proceeds from disposal of property, plant and equipment	1,070	36
Purchase of intangible asset  NET CASH USED IN INVESTING ACTIVITIES  FINANCING ACTIVITIES  Dividends paid  (8,760)  Dividends paid to a minority shareholder of a subsidiary  Repayments of bank borrowings  Repayments of obligations under a finance lease  Bank borrowings raised  Stypenses incurred in connection with issue of shares  (2,830)  (14,434)  (8,760)  (8,760)  (8,760)  (12,589)  (41,424)  (41,424)  (58,491)  (41,424)  (58,491)  (41,321)  (58,680)  (58,680)  (58,680)  (58,760)		(4,710)	(5,216)
NET CASH USED IN INVESTING ACTIVITIES  FINANCING ACTIVITIES  Dividends paid  (8,760)  (36,764)  Dividends paid to a minority shareholder of a subsidiary  Repayments of bank borrowings  (58,491)  Repayments of obligations under a finance lease  (222)  Bank borrowings raised  95,472  61,321  Issue of shares to public  Expenses incurred in connection with issue of shares  - (12,701)	·	(9,434)	I #
FINANCING ACTIVITIES  Dividends paid  (8,760) (36,764)  Dividends paid to a minority shareholder of a subsidiary  Repayments of bank borrowings  (58,491) (41,424)  Repayments of obligations under a finance lease  (222) -  Bank borrowings raised  95,472 61,321  Issue of shares to public - 83,680  Expenses incurred in connection with issue of shares - (12,701)	Purchase of intangible asset	(2,830)	i / <del>/</del>
Dividends paid (8,760) (36,764)  Dividends paid to a minority shareholder of a subsidiary - (12,589)  Repayments of bank borrowings (58,491) (41,424)  Repayments of obligations under a finance lease (222) -  Bank borrowings raised 95,472 61,321  Issue of shares to public - 83,680  Expenses incurred in connection with issue of shares - (12,701)	NET CASH USED IN INVESTING ACTIVITIES	(35,223)	(14,434)
Dividends paid to a minority shareholder of a subsidiary – (12,589) Repayments of bank borrowings (58,491) (41,424) Repayments of obligations under a finance lease (222) – Bank borrowings raised 95,472 61,321 Issue of shares to public – 83,680 Expenses incurred in connection with issue of shares – (12,701)	FINANCING ACTIVITIES		
Repayments of bank borrowings (58,491) (41,424) Repayments of obligations under a finance lease (222) — Bank borrowings raised 95,472 61,321 Issue of shares to public — 83,680 Expenses incurred in connection with issue of shares — (12,701)	Dividends paid	(8,760)	(36,764)
Repayments of obligations under a finance lease  Bank borrowings raised  95,472  61,321  Issue of shares to public  Expenses incurred in connection with issue of shares  - (12,701)	Dividends paid to a minority shareholder of a subsidiary	-	(12,589)
Bank borrowings raised 95,472 61,321 Issue of shares to public - 83,680 Expenses incurred in connection with issue of shares - (12,701)	Repayments of bank borrowings	(58,491)	(41,424)
Issue of shares to public – 83,680 Expenses incurred in connection with issue of shares – (12,701)	Repayments of obligations under a finance lease	(222)	4/
Expenses incurred in connection with issue of shares – (12,701)		95,472	
		-	
NET CASH FROM FINANCING ACTIVITIES 27,999 41,523	Expenses incurred in connection with issue of shares	_	(12,701)
	NET CASH FROM FINANCING ACTIVITIES	27,999	41,523

## **Consolidated Cash Flow Statement**

For the year ended 31 December, 2002

	2002	2001
	HK\$'000	HK\$'000
NET (DECREASE) INCREASE IN CASH AND CASH		
EQUIVALENTS	(41,228)	19,430
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	-	3,185
CASH AND CASH EQUIVALENTS AT BEGINNING OF		
THE YEAR	51,310	28,695
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	10,082	51,310
ANALYSIS OF THE BALANCES OF CASH AND CASH		
EQUIVALENTS		
Bank balances and cash	27,891	51,310
Bank overdraft	(17,809)	
	10,082	51,310

