

Consolidated Cash Flow Statement

For the year ended 31 December, 2002

	2002 HK\$'000	2001 HK\$'000
OPERATING ACTIVITIES		
Profit before taxation	21,018	26,481
Adjustments for:		
Depreciation and amortisation	2,718	2,181
Interest expenses	5,173	2,770
Interest income	(373)	(898)
(Gain) loss on disposal of property, plant and equipment	(88)	76
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)
NET CASH USED IN OPERATING ACTIVITIES	(34,004)	(7,659)
INVESTING ACTIVITIES		
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		
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 FROM FINANCING ACTIVITIES	27,999	41,523

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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

