

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2002

	NOTES	2002 HK\$'000	2001 HK\$'000
OPERATING ACTIVITIES			
Profit (loss) before taxation		14,420	(104,029)
Adjustments for:			
Amortisation of goodwill		2,472	2,471
Amortisation of issue costs of bonds		–	48
Depreciation		27,732	30,376
Share of profit of an associate		(1,609)	(1,507)
Allowance for bad debt expenses		20	38
Interest income		(393)	(1,000)
Interest expenses on bank borrowings and other loans		8,388	8,252
Interest expenses on obligations under finance leases and hire purchase contracts		2,578	5,702
(Profit) loss on disposal of a subsidiary		(3,559)	18,272
Loss on disposal of property, plant and equipment		3,621	18,573
Impairment loss recognised in respect of plant and machinery		–	70,000
Impairment loss recognised in respect of intangible assets		–	6,221
Exchange difference		359	–
Operating cash flows before movements in working capital		54,029	53,417
Increase in inventories		(11,703)	(19,536)
Decrease in amounts due from an associate		940	–
Increase in debtors, deposits and prepayments		(18,547)	(19,785)
Decrease in trade and other payables		(9,774)	(12,484)
Increase in amount due to an associate		535	–
Cash generated from operating activities		15,480	1,612
Hong Kong Profits Tax paid		(190)	(1,600)
Overseas tax refunded (paid)		1,382	(4,061)
NET CASH FROM (USED IN) OPERATING ACTIVITIES		16,672	(4,049)
INVESTING ACTIVITIES			
Interest received		393	1,000
Investment in an associate		(1,882)	–
Purchase of property, plant and equipment		(11,255)	(10,523)
Proceeds from disposal of property, plant and equipment		4,179	5,119
Acquisition of a subsidiary	34	–	(9,832)
Proceeds from disposal of a subsidiary (net of cash and cash equivalents disposed of)	35	298	6,999
Payment for acquisition of a business		–	(14,550)
NET CASH USED IN INVESTING ACTIVITIES		(8,267)	(21,787)

CONSOLIDATED CASH FLOW STATEMENT *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 2002

	2002 HK\$'000	2001 HK\$'000
FINANCING ACTIVITIES		
Interest paid	(8,388)	(8,252)
Interest paid on obligations under finance leases and hire purchase contracts	(2,578)	(5,702)
Redemption of convertible bonds	–	(15,016)
New bank loans raised	86,680	137,302
Repayment of bank loans	(121,857)	(64,100)
Proceeds from sale and lease back transactions	17,355	22,976
Repayments of obligations under finance leases and hire purchase contracts	(28,481)	(49,123)
Capital contribution by minority shareholders	–	4,544
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(57,269)	22,629
NET DECREASE IN CASH AND CASH EQUIVALENTS	(48,864)	(3,207)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	71,041	74,248
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	22,177	71,041
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as previously reported		(10,702)
Effect of reclassification of short term bank borrowings		81,743
		<u>71,041</u>
Being:		
Bank balances and cash	40,774	88,058
Bank overdrafts	(18,597)	(17,017)
	<u>22,177</u>	<u>71,041</u>