

Consolidated Cash Flow Statement

For the year ended 31 December 2002
(Expressed in Hong Kong dollars)

	Note	2002		2001	
		\$'000	\$'000	\$'000	\$'000
Operating activities					
(Loss)/profit from ordinary activities before taxation		(51,852)		34,485	
Adjustments for:					
— Interest income		(283)		(116)	
— Finance costs		520		1,270	
— Depreciation		9,957		9,985	
— Provision for doubtful debts		30,662		5,902	
— Provision for inventory obsolescence		7,076		401	
— Loss/(gain) on disposal of fixed assets		2,841		(71)	
Operating (loss)/profit before changes in working capital		(1,079)		51,856	
(Increase)/decrease in inventories		(12,611)		11,115	
Decrease/(increase) in trade and other receivables		15,474		(46,329)	
Decrease in amount due to shareholders		—		(1,044)	
Decrease in trade and other payables		(23,478)		(181)	
Cash (used in)/generated from operations		(21,694)		15,417	
Tax paid		(228)		(58)	
Net cash (used in)/generated from operating activities			(21,922)		15,359
Investing activities					
Payment for purchase of fixed assets and construction in progress		(13,058)		(11,420)	
Proceeds from sales of fixed assets		—		145	
Interest received		283		116	
Net cash used in investing activities			(12,775)		(11,159)
Financing activities					
New bank loans		33,823		12,351	
Repayments of bank loans		(32,669)		(16,884)	
Net proceeds from the Placing and Public Offer		44,703		—	
Dividend paid		(2,905)		—	
Interest paid		(520)		(1,270)	
Net cash generated from/(used in) financing activities			42,432		(5,803)
Net increase/(decrease) in cash and cash equivalents			7,735		(1,603)
Cash and cash equivalents at 1 January			7,155		8,758
Cash and cash equivalents at 31 December	18		14,890		7,155

The notes on pages 27 to 51 form part of these financial statements.