

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2003

(Expressed in Hong Kong dollars)

	2003 \$'000	2002 \$'000 (Restated)
Cash flows from operating activities		
Profit/(loss) from ordinary activities before taxation	3,298	(38,584)
Adjustment for:		
Interest income	(30)	(207)
Interest expense	901	1,951
Impairment loss on goodwill	-	10,798
Depreciation	15,733	11,525
(Gain)/loss on disposal of property, plant and equipment	(12)	1,067
Write-off construction in progress	102	220
Loss on disposal of an associate	-	889
Exchange loss/(gain)	221	(125)
Share of loss of an associate	-	26
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Operating profit/(loss) before working capital changes	20,213	(12,440)
Decrease in properties held for sale	-	12,300
(Increase)/decrease in inventories	(4,400)	32,153
(Increase)/decrease in trade debtors	(1,560)	71
Increase in prepayments, deposits and other receivables	(2,667)	(1,134)
Increase/(decrease) in trade creditors	4,272	(4,393)
Increase/(decrease) in other payables and accrued liabilities	1,409	(3,751)
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Cash generated from operations	17,267	22,806
Income tax paid outside Hong Kong	(262)	(228)
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Net cash from operating activities	17,005	22,578
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Cash flows from investing activities		
Payment for purchase of property, plant and equipment	(2,590)	(2,752)
Payment for construction in progress	(9,833)	(5,660)
Proceeds from sale of property, plant and equipment	148	35
Proceeds on disposal of an associate	-	1,537
Interest received	30	207
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Net cash used in investing activities	(12,245)	(6,633)
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(Expressed in Hong Kong dollars)

	2003 \$'000	2002 \$'000 (Restated)
Cash flows from financing activities		
Proceeds from new bank loans	-	19,111
Repayment of long term bank loans	-	(8,610)
Repayment of short term bank loans	(16,757)	(27,370)
Net proceeds from issuance of new shares	-	11,087
Payment of share reduction expenses	-	(510)
Interest paid	(901)	(1,951)
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Net cash used in financing activities	(17,658)	(8,243)
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Net (decrease)/increase in cash and cash equivalents	(12,898)	7,702
Cash and cash equivalents at beginning of year	22,420	14,718
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Cash and cash equivalents at end of year	9,522	22,420
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Analysis of the balances of cash and cash equivalents:		
Cash at banks and in hand	9,522	22,420
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The notes on pages 26 to 55 form part of these financial statements.