

# Consolidated Cash Flow Statement

Year ended 31st July, 2003

	Notes	2003 HK\$'000	2002 HK\$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before tax		(58,130)	22,358
Adjustments for:			
Finance costs	9	1,115	1,751
Interest income	5	(427)	(478)
Depreciation	6	7,000	14,372
Loss on disposal of fixed assets		1,041	1,745
Provision for bad and doubtful debts	6	523	2,068
Provision for slow-moving inventories	6	29,917	344
Deficit on revaluation	6	22,000	—
Operating profit before working capital changes		3,039	42,160
Decrease/(increase) in inventories		16,613	(24,086)
Decrease in debtors, deposits and prepayments		11,048	13,397
Increase/(decrease) in creditors and accruals		(41,962)	10,137
Movements in balance with the ultimate holding company		(115)	(3,007)
Decrease in an amount due to a related company		(1,244)	(1,298)
Increase in provision for long service payments		4,338	—
Cash generated from/(used for) operations		(8,283)	37,303
Interest paid		(1,115)	(1,751)
Hong Kong profits tax paid		—	(21)
Taxes paid outside Hong Kong		(649)	—
Net cash inflow/(outflow) from operating activities		(10,047)	35,531
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		427	478
Purchases of fixed assets		(4,925)	(4,422)
Proceeds from disposal of fixed assets		15	60
Net cash outflow from investing activities		(4,483)	(3,884)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of bank loans		(2,288)	(5,282)
Capital element of finance lease rental payments		—	(91)
Draw down/(repayment) of trust receipt loans		142	(13,483)
Net cash outflow from financing activities		(2,146)	(18,856)

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Year ended 31st July, 2003

	Notes	2003 HK\$'000	2002 HK\$'000 (Restated)
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NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(16,676)	12,791
Cash and cash equivalents at beginning of year		<u>78,791</u>	<u>66,000</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>62,115</u>	<u>78,791</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	18	64,445	81,711
Bank overdrafts	19	<u>(2,330)</u>	<u>(2,920)</u>
		<u>62,115</u>	<u>78,791</u>