

Consolidated Cash Flow Statement

For the year ended 31st December, 2003

	Notes	2003 HK\$'000	2002 HK\$'000
OPERATING ACTIVITIES			
Profit before tax		42,761	2,999
Adjustments for:			
Interest expense		–	165
Interest income		(3,291)	(210)
Dividend income		(48)	(73)
Depreciation and amortisation of property, plant and equipment		2,350	2,903
Amortisation of goodwill		2,521	317
Amortisation of intangible assets		1,970	284
Gain on disposal of property, plant and equipment		(870)	(222)
Loss on disposal of subsidiaries		1,820	–
Release of reserves upon disposal of an associate		(6,566)	–
Unrealised holding (gain) loss on investments in securities		(2,914)	462
Allowances (write-back of allowances) for bad and doubtful debt		2,721	(1,123)
Operating cash flows before movements in working capital		40,454	5,502
(Increase) decrease in inventories		(4,919)	2,426
Increase in trade and bills receivables		(12,093)	(1,993)
Decrease in other receivables and prepayments		351	583
(Increase) decrease in amounts due from related companies		(6,387)	3,096
Increase (decrease) in trade and bills payables		3,301	(2,178)
Increase (decrease) in payables and accruals		1,280	(5,608)
Decrease in amounts due to related companies		(4,312)	(4,665)
Cash from (used in) operations		17,675	(2,837)
Interest paid		–	(165)
Overseas tax paid		(1,393)	(107)
NET CASH FROM (USED IN) OPERATING ACTIVITIES		16,282	(3,109)
INVESTING ACTIVITIES			
Decrease in pledged deposits		2,000	4,000
Dividend received		48	73
Interest received		3,291	210
Proceeds from disposal of subsidiaries	26	15,370	–
Proceeds from disposal of property, plant and equipment		11,918	1,774
Proceeds from disposal of investments in securities		21,581	–
Increase in receivable from securities brokers		(76,073)	–
Purchase of investments in securities		(11,671)	–
Purchase of property, plant and equipment		(1,454)	(731)
Acquisition of subsidiaries	27	–	(53,349)
Increase in deposits received		–	18,419
NET CASH USED IN INVESTING ACTIVITIES		(34,990)	(29,604)

Consolidated Cash Flow Statement

For the year ended 31st December, 2003

	2003	2002
	HK\$'000	HK\$'000
FINANCING ACTIVITIES		
Proceeds from issue of shares	36,568	60,322
Decrease in trust receipt loans, secured	(85)	(2,863)
Dividend paid to minority shareholders	(7,977)	–
Repayments of convertible notes	(6,960)	–
Share issue expenses	(1,342)	–
Proceeds from issue of convertible notes	–	10,560
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NET CASH FROM FINANCING ACTIVITIES	20,204	68,019
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NET INCREASE IN CASH AND CASH EQUIVALENTS	1,496	35,306
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	45,915	10,625
NET EFFECT OF FOREIGN EXCHANGE RATE CHANGES	26	(16)
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CASH AND CASH EQUIVALENTS AT END OF THE YEAR	47,437	45,915
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