



## Consolidated Cash Flow Statement

For the year ended December 31, 2003

	2003 HK\$'000	2002 HK\$'000
<b>Operating activities</b>		
(Loss) profit before tax	<b>(82,632)</b>	7,519
Adjustments for:		
Share of results of associates	<b>22,220</b>	11,550
Dividend income from listed shares	<b>(1)</b>	–
Dividend income from unlisted shares	–	(267)
Finance lease interest income	–	(20)
Interest income	<b>(592)</b>	(121)
Interest expenses	<b>9,631</b>	10,079
Finance lease charges	<b>5</b>	24
Depreciation	<b>7,891</b>	8,623
Loss on disposal of investment properties	<b>8,526</b>	–
Deficit on revaluation of investment properties	–	130
Gain on disposal of property, plant and equipment	<b>(152)</b>	(432)
Unrealised holding (gain) loss of other investments	<b>(27)</b>	111
Write-down of properties held for sale to net realisable value	<b>18,911</b>	6,000
Gain on disposal of an associate	–	(10,892)
Net loss (gain) on disposal or liquidation of subsidiaries	<b>726</b>	(27,719)
Exchange gain on loan advanced from a supplier	<b>(607)</b>	–
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<b>Operating cash flows before movements in working capital</b>	<b>(16,101)</b>	4,585
Increase in inventories	<b>(10,693)</b>	(10,619)
Decrease in properties held for sale	<b>2,281</b>	–
Increase in trade and other receivables	<b>(6,993)</b>	(7,083)
(Increase) decrease in amount due from an associate	<b>(423)</b>	605
Decrease (increase) in amounts due from related parties	<b>245</b>	(233)
Increase (decrease) in trade and other payables	<b>5,518</b>	(8,439)
(Decrease) increase in bills payable	<b>(8,765)</b>	11,297
Increase in amounts due to Directors	<b>2,225</b>	–
Increase in amounts due to related companies	<b>3,747</b>	65
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<b>Cash used in operations</b>	<b>(28,959)</b>	(9,822)
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Hong Kong Profits Tax refunded (paid)	<b>802</b>	(2,324)
Overseas tax paid	<b>(110)</b>	(70)
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	<b>692</b>	(2,394)
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<b>Net cash used in operating activities</b>	<b>(28,267)</b>	(12,216)

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For the year ended December 31, 2003

	Note	2003 HK\$'000	2002 HK\$'000
<b>Investing activities</b>			
Purchase of investment properties		(1,100)	–
Purchase of property, plant and equipment		(2,429)	(6,645)
Proceeds from disposal of property, plant and equipment		1,033	875
Proceeds from disposal of investment properties		7,670	–
Repayment from lessee under finance leases		–	355
Dividend received from listed shares		1	–
Dividend received from unlisted shares		–	267
Proceeds from disposal of subsidiaries	33	2,207	160
Interest received		487	79
Finance lease interest received		–	20
<b>Net cash generated from (used in) investing activities</b>		<b>7,869</b>	<b>(4,889)</b>
<b>Financing activities</b>			
Proceeds from issue of shares		14,461	49,311
New loans advanced from Directors		3,000	17,026
New bank loans		160,786	6,630
Repayment of loans advanced from Directors		–	(16,233)
Repayment of bank loans		(149,353)	(6,363)
Repayment of other loan		–	(4,500)
Repayment of loans advanced from related companies		(280)	(5,845)
Interest paid		(7,690)	(4,307)
Repayment of obligations under finance leases		(389)	(102)
Finance lease charges paid		(5)	(24)
<b>Net cash generated from financing activities</b>		<b>20,530</b>	<b>35,593</b>
<b>Net increase in cash and cash equivalents</b>		<b>132</b>	<b>18,488</b>
<b>Cash and cash equivalents at January 1</b>		<b>1,610</b>	<b>(16,693)</b>
Effect of foreign currency exchange rate changes		54	(185)
<b>Cash and cash equivalents at December 31</b>		<b>1,796</b>	<b>1,610</b>
<b>Analysis of the balances of cash and cash equivalents</b>			
Being:			
Bank balances and cash		16,093	14,382
Bank overdrafts		(14,297)	(12,772)
		<b>1,796</b>	<b>1,610</b>

The accompanying notes on pages 40 to 97 form an integral part of these financial statements.