

Consolidated Cash Flow Statement

Year ended 31 December 2003

	<i>Notes</i>	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i> (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(23,163)	(36,020)
Adjustments for:			
Finance costs	9	21,594	19,516
Share of loss of an associate		1,938	3,518
Interest income	6	(1,465)	(785)
Loss on disposal of fixed assets	6	1,583	309
Write-off of intangible assets	6	816	-
Depreciation	6	39,286	38,189
Amortisation of intangible assets	6	20,532	20,452
Amortisation of goodwill	6	1,510	623
Negative goodwill recognised as income	6	(9)	(10)
Impairment of an investment in an associate	6	-	142
Provision for doubtful debts	6	7,746	2,781
Operating profit before working capital changes		70,368	48,715
Increase in inventories		(33,519)	(28,416)
Increase in accounts receivable		(27,870)	(2,942)
Decrease/(increase) in prepayments, deposit and other receivables		(14,553)	1,310
Increase/(decrease) in accounts and bills payables		26,140	(2,712)
Increase/(decrease) in other payables and accruals		13,132	(2,941)
Cash generated from operations		33,698	13,014
Taxes refunded		2,205	-
Taxes paid		(2,726)	(1,853)
Net cash inflow from operating activities		33,177	11,161

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Net cash inflow from operating activities		33,177	11,161
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,465	785
Purchases of fixed assets		(16,336)	(38,214)
Proceeds from disposal of fixed assets		2,711	896
Proceeds from disposal of an associate		3,905	-
Acquisition of subsidiaries	31(a)	-	(164)
Additions to intangible assets	15	(22,534)	(18,182)
Purchases of investment securities		-	(4,161)
Proceeds from disposal of long term investment		59	-
Increase in balances with associates		(770)	(103)
Net cash outflow from investing activities		(31,500)	(59,143)
CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid		(21,192)	(19,076)
Interest element on finance lease rental payments		(402)	(440)
Proceeds from issue of shares		-	43,865
Drawdown of shareholders' loans		11,700	-
Share issue expenses	28	(50)	(324)
Drawdown of bank loans		27,168	53,375
Repayment of bank loans		(36,795)	(47,534)
Increase in trust receipt loans		18,312	24,115
Capital element of finance lease rental payments		(5,267)	(5,556)
Net cash inflow/(outflow) from financing activities		(6,526)	48,425
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(4,849)	443
Cash and cash equivalents at beginning of year		18,930	15,328
Effect of foreign exchange differences, net		8,269	3,159
CASH AND CASH EQUIVALENTS AT END OF YEAR		22,350	18,930
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		33,672	34,750
Bank overdrafts		(11,322)	(15,820)
		22,350	18,930