

# Consolidated Cash Flow Statement

For the year ended 31 December 2003

	2003 HK\$'000	2002 HK\$'000 (restated)
<b>OPERATING ACTIVITIES</b>		
Profit from operations	10,367	26,224
Adjustments for:		
Depreciation and amortisation of property, plant and equipment	4,787	3,024
Loss on disposal of property, plant and equipment	697	–
Unrealised profit on sales to an associate	556	–
Inventories written off	–	1,113
Interest income	(119)	(340)
	<hr/>	<hr/>
Operating cash flows before movements in working capital	16,288	30,021
Decrease (increase) in inventories	1,288	(18,224)
Decrease (increase) in trade and other receivable	28,998	(40,240)
Increase in deposits and prepayments	(17,987)	(9,888)
(Decrease) increase in trade and other payables	(23,458)	57,209
Increase in deposits and accrued expenses	435	163
Increase in amounts due from (to) companies owned by a former director	(14,048)	5,350
Increase in amount due to an associate	1,826	–
	<hr/>	<hr/>
<b>NET CASH (USED IN) FROM OPERATING ACTIVITIES</b>	<b>(6,658)</b>	<b>24,391</b>
<b>INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	(33,733)	(69,842)
Deposit paid for acquisition of an investment	–	(23,391)
Repayment from (advance to) a former director	698	(698)
Interest received	119	340
Repayment from a related company	–	5,173
Repayment from an associate	2,485	–
	<hr/>	<hr/>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(30,431)</b>	<b>(88,418)</b>
<b>FINANCING ACTIVITIES</b>		
Interest paid	(549)	(596)
Issue of shares	–	79,800
Share issue expenses	–	(13,979)
Dividends paid	(6,720)	(6,720)
Repayments of unsecured bank borrowings	(12,264)	(6,443)
Repayment to a director	–	(3,751)
Repayment to a shareholder	–	(2,783)
Increase in pledged bank deposits	(9,709)	(288)
New unsecured bank borrowings raised	80,949	–
	<hr/>	<hr/>
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>51,707</b>	<b>45,240</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>14,618</b>	<b>(18,787)</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>20,720</b>	<b>39,240</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>–</b>	<b>267</b>
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>35,338</b>	<b>20,720</b>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Bank balances and cash	35,338	20,720