

Consolidated Cash Flow Statement

For the year ended 31 December 2003

	2003 HK\$'000	2002 HK\$'000
OPERATING ACTIVITIES		
Profit before taxation	13,299	21,018
Adjustments for:		
Depreciation and amortisation of property, plant and equipment	3,193	2,718
Amortisation of intangible assets	508	–
Interest expenses	6,359	5,173
Interest income	(341)	(373)
Loss (gain) on disposal of property, plant and equipment	101	(88)
Operating cash flows before movements in working capital	23,119	28,448
Decrease (increase) in inventories	9,746	(81,695)
(Increase) decrease in trade receivables	(2,234)	40,978
Increase in deposits and other receivable	(7,079)	(2,765)
Decrease in trade payables	(10,226)	(2,727)
Increase (decrease) in accruals and other payables	2,032	(9,971)
Cash generated from (used in) operations	15,358	(27,732)
Interest received	341	373
Interest paid	(6,359)	(5,173)
PRC income tax paid	(14,188)	(1,472)
NET CASH USED IN OPERATING ACTIVITIES	(4,848)	(34,004)
INVESTING ACTIVITIES		
Decrease (increase) in pledged bank deposits	6,797	(15,442)
Deposits refunded (paid)	142	(2,877)
Acquisition of investment securities	–	(1,000)
Proceeds from disposal of property, plant and equipment	151	1,070
Purchase of property, plant and equipment	(391)	(4,710)
Acquisition of an associate	–	(9,434)
Proceeds on disposal of an associate	9,434	–
Purchase of intangible assets	–	(2,830)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	16,133	(35,223)
FINANCING ACTIVITIES		
Dividends paid	–	(8,760)
Repayments of bank borrowings	(80,038)	(58,491)
Repayments of obligations under a finance lease	(190)	(222)
Bank borrowings raised	77,076	95,472
Issue of preferred shares by a subsidiary	31,200	–
NET CASH FROM FINANCING ACTIVITIES	28,048	27,999

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	2003	2002
	HK\$'000	HK\$'000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	39,333	(41,228)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	10,082	51,310
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	49,415	10,082
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	49,415	27,891
Bank overdraft	–	(17,809)
	49,415	10,082