

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2003

| | 2003 US\$'000 | 2002 US\$'000 |
|--|--------------------------------|------------------|
| OPERATING ACTIVITIES | | |
| Profit before taxation | 4,389 | 5,715 |
| Adjustments for: | | |
| Interest income | (123) | (168) |
| Interest expenses | 725 | 967 |
| Depreciation and amortisation of property, plant and equipment | 9,725 | 10,687 |
| Amortisation of goodwill of an associate | 79 | 135 |
| Impairment loss recognised in investment security | 2,493 | – |
| Loss on disposal of property, plant and equipment | 4 | 1 |
| Share of results of associates | (191) | (10) |
| Share of results of jointly controlled entities | (136) | 6 |
| Operating cash flows before movements in working capital | 16,965 | 17,333 |
| Increase in inventories | (4,372) | (9,307) |
| (Increase) decrease in trade and other receivables | (2,313) | 365 |
| Increase in amount due from an associate | (167) | (32) |
| Decrease in amount due from jointly controlled entities | – | 5 |
| (Decrease) increase in trade and other payables | (4,723) | 3,234 |
| Increase (decrease) in amount due to an associate | 158 | (24) |
| Cash generated from operations | 5,548 | 11,574 |
| Hong Kong Profits Tax (paid) refunded | (20) | 2 |
| Taxation in other jurisdictions paid | (247) | (182) |
| NET CASH FROM OPERATING ACTIVITIES | 5,281 | 11,394 |
| INVESTING ACTIVITIES | | |
| Investment in an associate | – | (5,000) |
| Purchase of property, plant and equipment | (2,102) | (4,070) |
| Investment in jointly controlled entities | – | (600) |
| Interest received | 143 | 150 |
| Proceeds from disposal of property, plant and equipment | 9 | 3 |
| NET CASH USED IN INVESTING ACTIVITIES | (1,950) | (9,517) |
| FINANCING ACTIVITIES | | |
| Bank loans raised | 17,592 | 14,930 |
| Net (decrease) increase in trust receipts loans | (1,397) | 1,921 |
| Repayment of bank loans | (16,085) | (12,953) |
| Dividends paid | (1,886) | (1,862) |
| Interest paid | (728) | (920) |
| Proceeds from exercise of share options | 727 | – |
| NET CASH (USED IN) FROM FINANCING ACTIVITIES | (1,777) | 1,116 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 1,554 | 2,993 |
| CASH AND CASH EQUIVALENTS AT 1ST JANUARY | 14,559 | 11,566 |
| CASH AND CASH EQUIVALENTS AT 31ST DECEMBER, represented by Bank balances and cash | 16,113 | 14,559 |