

Consolidated Cash Flow Statement

For the year ended 31 December 2003



	2003 HK\$'000	2002 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES (LOSS)/PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION	(8,401)	10,763
ADJUSTMENTS FOR:		
Finance costs	15,076	15,611
Share of profits less losses of associates	(1,727)	(9,426)
Interest income	(71)	(38)
Gain arising from group reorganisation	(29,638)	–
Waiver of accrued interest on bank loans and overdrafts	–	(16,917)
(Gain)/loss on disposal of property, plant and equipment	(81)	1,532
Depreciation	14,068	14,900
Realisation of exchange fluctuation reserve upon the deregistration of subsidiaries	–	(1,001)
Surplus on revaluation of leasehold land and buildings	–	(487)
Provision for doubtful debts	5,074	373
Provision against inventories	7,168	1,612
Exchange differences	(453)	(408)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,015	16,514
Decrease/(increase) in trade receivables	2,160	(2,902)
(Increase)/decrease in bills receivable	(752)	426
Decrease in prepayments, deposits and other receivables	734	159
Decrease/(increase) in inventories	3,184	(2,547)
Decrease in net amounts due to associates	823	3,711
Increase in trade payables	5,034	3,335
Increase/(decrease) in other payables and accruals	1,420	(393)
Decrease in provision for long service payments	(222)	(288)
CASH GENERATED FROM OPERATIONS	13,396	18,015
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	71	38
Purchase of property, plant and equipment	(1,053)	(3,209)
Proceeds from disposal of property, plant and equipment	135	6
Payment of rental deposits	–	(455)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(847)	(3,620)

Consolidated Cash Flow Statement (cont'd)

For the year ended 31 December 2003

	2003 HK\$'000	2002 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of new shares, net of share issue expenses	37,347	–
Payment of loan due to Probest	(37,000)	–
NET CASH INFLOW FROM FINANCING ACTIVITIES	347	–
NET INCREASE IN CASH AND CASH EQUIVALENTS	12,896	14,395
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	24,083	9,688
CASH AND CASH EQUIVALENTS AT END OF YEAR	36,979	24,083
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	36,601	23,715
Fixed deposits with original maturity less than three months when acquired	378	368
	36,979	24,083

The notes on pages 45 to 78 form an integral part of these financial statements.