

## Consolidated Cash Flow Statement Year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before tax		<b>(24,432)</b>	(62,920)
Adjustments for:			
Share of profit of a jointly-controlled entity		<b>(2,236)</b>	(1,634)
Interest income	8	<b>(354)</b>	(774)
Interest expenses	8	<b>16,343</b>	19,386
Depreciation	6	<b>25,464</b>	28,409
Loss/(gain) on disposal of fixed assets	6	<b>(614)</b>	514
Provision against and write-off of deposits and prepayments	6	–	39,272
Gain on disposal of a trading right	6	–	(832)
Operating profit before working capital changes		<b>14,171</b>	21,421
Decrease/(increase) in stocks		<b>(1,028)</b>	17,087
Decrease in accounts receivable		<b>6,527</b>	16,918
Increase in sundry receivables, deposits and prepayments		<b>(25,675)</b>	(7,663)
Decrease in bills payable		<b>(15,252)</b>	(5,997)
Increase/(decrease) in accounts payable		<b>9,398</b>	(4,780)
Increase in other payables and accrued charges		<b>15,026</b>	6,339
Cash generated from operations		<b>3,167</b>	43,325
Interest received		<b>354</b>	774
Tax paid		<b>(13,665)</b>	(667)
Net cash inflow/(outflow) from operating activities		<b>(10,144)</b>	43,432
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed assets		<b>(4,834)</b>	(4,910)
Proceeds from disposal of fixed assets		<b>681</b>	1,985
Increase in trademarks		<b>(242)</b>	(264)
Dividend received from a jointly-controlled entity		–	6,000
Net cash inflow/(outflow) from investing activities		<b>(4,395)</b>	2,811

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	Notes	2003 HK\$'000	2002 HK\$'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid	8	<b>(16,343)</b>	(19,386)
New bank loans		<b>180,000</b>	–
Repayment of bank loans and bills payable		<b>(162,590)</b>	(55,083)
Decrease/(increase) in pledged cash deposits		<b>5,396</b>	(4,108)
Issue of share capital, including share premium	25	<b>7</b>	3
Expenses for issue of bonus warrants		<b>(57)</b>	(251)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>6,413</b>	(78,825)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(8,126)</b>	(32,582)
Cash and cash equivalents at 1 January		<b>56,110</b>	88,692
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>		<b>47,984</b>	56,110
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		<b>47,984</b>	56,110