

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2003

	NOTES	2003 HK\$'000	2002 HK\$'000
<b>OPERATING ACTIVITIES</b>			
Profit before taxation		7,316	14,420
Adjustments for:			
Amortisation of goodwill		2,472	2,472
Depreciation		18,734	27,732
Share of profit of an associate		(751)	(1,609)
Allowance for bad debt expenses		2	20
Interest income		(168)	(393)
Interest expenses on bank borrowings and other loans		7,027	8,388
Interest on obligations under finance leases and hire purchase contracts		1,775	2,578
Profit on disposal of a subsidiary		(3,200)	(3,559)
Loss on disposal of property, plant and equipment		214	3,621
Exchange difference		602	359
Operating cash flows before movements in working capital		34,023	54,029
Increase in inventories		(1,047)	(11,703)
Decrease in amounts due from an associate		–	940
Increase in debtors, deposits and prepayments		(24,057)	(18,547)
Decrease in trade and other payables		(9,211)	(9,774)
(Decrease) increase in amount due to an associate		(535)	535
Cash (used in) generated from operating activities		(827)	15,480
Hong Kong Profits Tax refunded (paid)		788	(190)
Overseas tax (paid) refunded		(1,036)	1,382
<b>NET CASH (USED IN) FROM OPERATING ACTIVITIES</b>		<b>(1,075)</b>	<b>16,672</b>
<b>INVESTING ACTIVITIES</b>			
Interest received		168	393
Investment in an associate		–	(1,882)
Capital contribution from minority interests		799	–
Purchase of property, plant and equipment		(19,153)	(11,255)
Proceeds from disposal of property, plant and equipment		485	4,179
Proceeds from disposal of a subsidiary (net of cash and cash equivalents disposed of)	33	–	298
Proceeds from disposal of an associate		5,031	–
Product development cost incurred		(4,650)	–
Bank deposits pledged		(1,172)	–
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(18,492)</b>	<b>(8,267)</b>

# CONSOLIDATED CASH FLOW STATEMENT *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 2003

	2003 HK\$'000	2002 HK\$'000
<b>FINANCING ACTIVITIES</b>		
Dividend paid	(1,792)	–
Interest paid	(7,027)	(8,388)
Interest paid on obligations under finance leases and hire purchase contracts	(1,775)	(2,578)
Proceeds from issue of shares less issuing expenses of HK\$576,000	8,704	–
New bank loans raised	186,144	86,680
Repayment of bank loans	(166,444)	(121,857)
Proceeds from sale and lease back transactions	27,770	17,355
Repayments of obligations under finance leases and hire purchase contracts	(25,565)	(28,481)
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>	<b>20,015</b>	<b>(57,269)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>448</b>	<b>(48,864)</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>22,177</b>	<b>71,041</b>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>22,625</b>	<b>22,177</b>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Bank balances and cash	43,648	40,774
Bank overdrafts	(21,023)	(18,597)
	<b>22,625</b>	<b>22,177</b>