

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2003

	Note	2003 HK\$'000	2002 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit before tax		(45,744)	9,902
Adjustments for:			
Finance costs	10	2,168	1,728
Depreciation	7	11,346	14,661
Amortisation of long term lease rights	7	1,700	1,700
Revaluation deficit on fixed assets		6,332	752
Net unrealised loss on short term investments	7	3,335	–
Long term lease rights written off		7,524	–
Fixed assets written off	7	3,710	–
Deposits paid written off		9,161	–
Provision for an amount due from an associate	7	1,782	–
Bad debts written off		4,272	–
Loss on disposals of fixed assets	7	2,274	80
Provision for slow-moving and net realisable value of inventories	7	279	1,812
Provision for loans receivable		1,200	–
Provision for bad and doubtful debts		12,479	1,418
Gain on disposals of short term investments	6	–	(41)
Gain on written off of investment in a subsidiary	6	(71)	–
Revaluation surplus on fixed assets	6	(777)	–
Bad debts written back	6	(329)	–
Provision for obsolete inventories written back	6	(1,498)	–
Net unrealised gain on short term investments	6	–	(553)
Interest income	6	(277)	(1,088)
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Operating profit before working capital changes		18,866	30,371
Decrease/(Increase) in prepayments, deposits and other receivables		12,950	(1,690)
Decrease/(Increase) in inventories		18,441	(3,149)
Increase in trade receivables		(48,487)	(15,932)
Purchases of short term investments		–	(3,392)
Proceeds from disposals of short term investments		–	354
Increase/(Decrease) in trade payables		5,528	(10,044)
Increase in other payables and accruals		12,380	101
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Cash generated from/(used in) operations		19,678	(3,381)
Interests received		277	1,088
Hong Kong profits tax refunded/(paid)		143	(161)
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Net cash inflow/(outflow) from operating activities		20,098	(2,454)

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2003

	2003	2002
	HK\$'000	HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Long term deposits paid	–	(15,905)
Purchases of fixed assets	(26,203)	(21,261)
Proceeds from disposals of fixed assets	375	170
Disposals of subsidiaries	–	(57)
Advances to an associate	(21)	(1,828)
Advances of loan to a director	–	(594)
Repayment of loan from a director	437	74
Advances of loans to third parties	–	(10,672)
Repayment of loans from third parties	110	4,019
Decrease/(Increase) in pledged time deposits	30,000	(6,000)
Net cash inflow/(outflow) from investing activities	4,698	(52,054)
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank loans	–	27,688
(Decrease)/Increase in trust receipt loans	(6,090)	16,910
Repayment of bank loans	(5,895)	(4,789)
Capital element of finance lease rental payments	(66)	(279)
Interest paid	(2,168)	(1,728)
Net cash (outflow)/inflow from financing activities	(14,219)	37,802
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	10,577	(16,706)
Cash and cash equivalents at beginning of year	(11,187)	5,519
Effect on foreign exchange rate changes	(1,968)	–
CASH AND CASH EQUIVALENTS AT END OF YEAR	(2,578)	(11,187)
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,143	22,822
Bank overdrafts, secured	(3,721)	(34,009)
	(2,578)	(11,187)