



Consolidated Cash Flow Statement

YEAR ENDED 31 DECEMBER 2003

	<i>Notes</i>	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(19,034)	(16,317)
Adjustments for:			
Finance costs	<i>7</i>	12,533	10,438
Bank interest income	<i>5</i>	(162)	(162)
Other interest income	<i>5</i>	(1,376)	–
(Gain)/loss on disposal of property, plant and equipment	<i>5, 6</i>	(233)	154
Depreciation	<i>6</i>	15,458	11,270
Amortisation of intangible assets	<i>6</i>	1,360	1,366
Write-off of long term receivables	<i>19</i>	12,431	–
Provision for bad and doubtful debts		4,210	13,119
Impairment of a deposit for investment	<i>21</i>	10,416	–
Impairment of a long term investment	<i>6</i>	712	820
Impairment of property, plant and equipment, net of amount written back	<i>6</i>	–	(1,511)
Provision against amounts due from associates	<i>6</i>	424	1,184
Operating profit before working capital changes		36,739	20,361
Decrease in inventories		16,018	11,778
(Increase)/decrease in trade receivables		270	(827)
Increase in loan receivables		(63,200)	–
Decrease in prepayments, deposits and other receivables		1,638	10,680
Increase in trade payables		1,008	1,701
Increase/(decrease) in accrued liabilities and other payables		7,666	(3,397)
Exchange difference on working capital		(638)	(1,433)
Cash generated from/(used in) operations		(499)	38,863
Interest paid		(10,532)	(10,415)
Interest element on finance leases		(1)	(23)
Loan arrangement fees paid		(2,000)	–
Overseas taxes paid		(6,175)	(6,553)
Dividend paid to a minority shareholder		–	(6,935)
Net cash inflow/(outflow) from operating activities – <i>page 31</i>			
Continuing operations		28,264	(4,314)
Discontinuing operations		(47,471)	21,144
Discontinued operations		–	(1,893)
		(19,207)	14,937

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YEAR ENDED 31 DECEMBER 2003

	Notes	2003 HK\$'000	2002 HK\$'000
Net cash inflow/(outflow) from operating activities – page 30		(19,207)	14,937
CASH FLOWS FROM INVESTING ACTIVITIES			
Settlement of long term receivables		14,700	11,300
Interest received		1,538	162
Purchases of property, plant and equipment	15	(6,145)	(7,944)
Proceeds from disposal of property, plant and equipment		8,861	4,009
Advances to associates		(24)	(2)
Advances to an investee		(518)	–
Deposit for investment		(3)	(3,738)
Net cash inflow/(outflow) from investing activities		24,392	11,571
Continuing operations		(5,983)	(7,784)
Discontinuing operations		18,409	3,787
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	30	39,934	–
Share issue expenses	32	(1,650)	–
New bank borrowings		321,698	299,651
Repayment of bank borrowings		(325,553)	(313,801)
Decrease in trust receipt loans		(1,249)	(3,155)
New other borrowings		80,000	–
Increase/(decrease) in due to a minority shareholder		(1,841)	11,805
Capital element of finance lease payments		(53)	(296)
Net cash inflow/(outflow) from financing activities		33,126	404
Continuing operations		78,160	(6,200)
Discontinuing operations		111,286	(5,796)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		23,872	11,060
Effect of foreign exchange rate changes, net		(97)	(116)
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		<u>134,263</u>	<u>23,872</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	25	134,263	24,808
Non-pledged time deposits with original maturity of less than three months when required	25	–	1,504
Bank overdrafts, secured	27	–	(2,440)
		<u>134,263</u>	<u>23,872</u>