

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2002

	Notes	2002 HK\$	2001 HK\$ (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		632,367	(9,997,441)
Adjustments for:			
Finance costs	8	2,904,978	2,740,691
Share of loss of an associate		45,782	–
Interest income	5	(247,475)	(354,640)
Depreciation	7	23,367,258	23,565,433
Amortisation of intangible assets	7	247,930	247,924
Loss on disposal of fixed assets	6	3,767	38,705
Gain on sale of long term investments, net	6	(9,325,422)	–
Surplus on revaluation of leasehold land and buildings charged to the profit and loss account	6	(179,706)	(239,706)
Write back of provision for doubtful debts	6	(79,339)	(3,140,000)
Operating profit before working capital changes		17,370,140	12,860,966
Decrease/(increase) in inventories		(4,914,156)	14,175,314
Decrease/(increase) in prepayments, deposits and other receivables		(3,865,877)	1,535,789
Decrease in trade and bills receivables		2,022,140	5,909,240
Increase in trade payables, accrued liabilities and other payables		3,991,108	3,239,577
Decrease in an amount due to a related company		–	(4,829,375)
Cash generated from operations		14,603,355	32,891,511
Interest received		254,120	469,598
Interest paid		(2,222,430)	(1,852,938)
Interest element on finance lease rental payments		(669,430)	(983,915)
Hong Kong profits tax paid		(406,992)	(1,914,110)
PRC income tax paid		(76,103)	(165,645)
Net cash inflow from operating activities		11,482,520	28,444,501

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CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(14,792,053)	(11,142,600)
Investment in an associate		(3,198,000)	–
Increase in amount due from an associate		(315,859)	–
Additions to intangible assets	15	(1,750,000)	–
Outstanding consideration paid in respect of acquisition of subsidiaries in the prior year		–	(5,000,000)
Increase in pledged time deposits		(3,128,074)	(9,571)
Purchases of long term investments		(308,450)	(600,000)
Proceeds from sale of long term investments		14,348,422	–
Deposit paid for purchases of leasehold land		(4,720,000)	–
Net cash outflow from investing activities		(13,864,014)	(16,752,171)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in money market loan		–	2,000,000
Increase in bank and instalment loans		18,961,247	522,218
Decrease in mortgage loans		(330,192)	(308,828)
Increase/(decrease) in trust receipt loans		(8,951,198)	6,653,938
Capital element of finance lease rental payments		(8,332,422)	(6,286,608)
Proceeds from issue of warrants		–	1,500,000
Warrant issue expenses		–	(110,525)
Net cash inflow from financing activities		1,347,435	3,970,195
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(1,034,059)	15,662,525
Cash and cash equivalents at beginning of year		16,245,240	582,715
Effect of foreign exchange rate changes, net		(656,791)	–
CASH AND CASH EQUIVALENTS AT END OF YEAR		14,554,390	16,245,240
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	22	7,826,707	12,154,678
Time deposits	22	8,117,530	4,090,562
Bank overdrafts	24	(1,389,847)	–
		14,554,390	16,245,240