

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2002

	2002 HK\$	2001 HK\$
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	2,324,625	7,906,123
Adjustments for:		
Share of losses of associates	927,977	2,826,434
Impairment loss recognised in respect of property, plant and equipment	1,000,000	6,000,000
Impairment loss recognised in respect of investment securities	2,500,000	2,749,005
Gain on deemed disposal of an associate	—	(4,525,766)
Goodwill of associates written off	—	103,200
Depreciation and amortisation	30,387,215	34,149,949
Loss on disposals of property, plant and equipment	62,540	3,690,431
Allowance for bad and doubtful debts	75,796	4,512,601
Interest expenses	3,552,462	6,016,728
Finance lease charges	485,448	1,139,556
Interest income	(570,001)	(1,002,391)
Unrealised holding loss (gain) on other investments	9,272,277	(7,618,805)
Written off of property, plant and equipment	1,972,019	—
Written off of inventories	9,300,000	—
Operating cash flows before movements in working capital	61,290,358	55,947,065
Decrease in other investments	284,939	—
(Increase) decrease in inventories	(56,922,021)	17,055,428
(Increase) decrease in debtors and prepayments	(7,772,979)	6,624,505
Increase (decrease) in amount due to an associate	28,433	(10,102)
Increase (decrease) in creditors, bills payable and accrued charges	29,847,535	(7,943,758)
Effect of foreign exchange rate changes	(281,559)	1,766,631
Cash generated from operations	26,474,706	73,439,769
Hong Kong Profits Tax paid	(949,596)	(4,579,154)
Interest paid	(3,552,462)	(6,016,728)
Finance lease charges paid	(485,448)	(1,139,556)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>21,487,200</b>	<b>61,704,331</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(15,807,608)	(16,089,196)
Increase in pledged bank deposits	(34,092)	(183,957)
Investments in associates	—	(960,000)
Interest received	570,001	1,002,391
Proceeds from disposals of property, plant and equipment	156,364	10,425,239
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(15,115,335)</b>	<b>(5,805,523)</b>

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FINANCING ACTIVITIES		
New bank loans raised	422,697,552	468,215,160
Repayment of bank loans	(399,480,528)	(484,885,483)
Repayment of finance leases	(8,061,422)	(9,843,762)
Dividends paid	(4,779,263)	(14,337,789)
Dividends paid to minority shareholders of subsidiaries	—	(3,748,051)
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>	<b>10,376,339</b>	<b>(44,599,925)</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>16,748,204</b>	<b>11,298,883</b>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at beginning of the year	31,067,643	19,768,760
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>47,815,847</b>	<b>31,067,643</b>
CASH AND CASH EQUIVALENTS AS PREVIOUSLY REPORTED	—	(2,146,822)
EFFECT OF RECLASSIFICATION OF IMPORT LOANS AND EXPORT LOANS	—	33,214,465
<b>CASH AND CASH EQUIVALENTS AS RESTATED</b>	<b>—</b>	<b>31,067,643</b>
BEING:		
Short term bank deposits	28,876,145	19,096,911
Bank balances and cash	18,939,702	12,176,336
Bank overdrafts	—	(205,604)
	<b>47,815,847</b>	<b>31,067,643</b>