

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2003

	2003 HK\$	2002 HK\$
OPERATING ACTIVITIES		
Profit before taxation	10,193,027	2,324,625
Adjustments for:		
Share of losses of associates	305,978	927,977
Impairment loss recognised in respect of property, plant and equipment	–	1,000,000
Impairment loss recognised in respect of investment securities	–	2,500,000
Loss on disposal of investment securities	3,611,937	–
Depreciation and amortisation	26,480,066	30,387,215
Loss on disposals of property, plant and equipment	2,240,381	62,540
Allowance for bad and doubtful debts	250,200	75,796
Interest expenses	4,981,382	3,552,462
Finance lease charges	159,166	485,448
Interest income	(507,948)	(570,001)
Unrealised holding loss on other investments	1,362,419	9,272,277
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	49,076,608	61,290,358
(Increase) decrease in other investments	(10,559,279)	284,939
Decrease (increase) in inventories	55,493,090	(56,922,021)
Decrease (increase) in debtors and prepayments	7,272,046	(7,772,979)
Increase in amount due to an associate	–	28,433
(Decrease) increase in creditors, bills payable and accrued charges	(49,131,387)	29,847,535
Effect of foreign exchange rate changes	(1,489,021)	(281,559)
Cash generated from operations	50,662,057	26,474,706
Hong Kong Profits Tax paid	(485,772)	(949,596)
Interest paid	(4,981,382)	(3,552,462)
Finance lease charges paid	(159,166)	(485,448)
NET CASH FROM OPERATING ACTIVITIES	45,035,737	21,487,200

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For the year ended 31st December, 2003

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INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9,494,250)	(15,807,608)
Increase in pledged bank deposits	(19,575)	(34,092)
Proceeds from disposals of property, plant and equipment	6,410,566	156,364
Proceeds from disposals of investment securities	1,918,063	–
Interest received	507,948	570,001
NET CASH USED IN INVESTING ACTIVITIES	(677,248)	(15,115,335)
FINANCING ACTIVITIES		
Repayment of bank borrowings	(509,075,805)	(399,480,528)
Repayment of obligations under finance leases	(6,677,897)	(8,061,422)
New bank borrowings raised	515,715,261	422,697,552
Dividends paid	(4,779,263)	(4,779,263)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(4,817,704)	10,376,339
INCREASE IN CASH AND CASH EQUIVALENTS	39,540,785	16,748,204
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at beginning of the year	47,815,847	31,067,643
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	87,356,632	47,815,847
BEING:		
Short term bank deposits	33,631,158	28,876,145
Bank balances and cash	53,725,474	18,939,702
	87,356,632	47,815,847