

Consolidated Cash Flow Statement

For the year ended 31 December 2003

	2003 HK\$'000	2002 HK\$'000
OPERATING ACTIVITIES		
Profit before taxation	92,198	64,240
Adjustments for:		
Depreciation	24,814	23,024
Amortisation of land use rights	614	559
Amortisation of goodwill	556	–
(Surplus) deficit on revaluation of investment properties	(386)	1,000
(Surplus) deficit on revaluation of leasehold land and buildings, net	(1,839)	126
Loss on disposal of property, plant and equipment, net	33	12
Loss on write off of interest in a jointly controlled entity	–	6,495
Interest income	(377)	(214)
Finance costs	3,178	2,024
Recovery of bad and doubtful debts	(7,714)	(15,440)
Share of results of jointly controlled entities	(6,847)	(6,853)
Share of result of an associate	(5,251)	(4,885)
Operating cash flows before movements in working capital	98,979	70,088
Increase in inventories	(11,334)	(4,417)
(Increase) decrease in trade and bills receivables	(34,012)	6,307
Decrease in prepayments, deposits and other receivables	690	3,324
Decrease (increase) in amount due from a related company	471	(471)
Increase in trade and bills payables	2,759	941
(Decrease) increase in other payables and accruals	(451)	2,159
Cash generated from operations	57,102	77,931
Interest received	377	214
Interest paid	(2,014)	(2,003)
Interest element on finance lease payments	(64)	(21)
Other finance costs paid	(1,100)	–
Hong Kong Profits Tax refunded	7	–
PRC taxes paid	(6,444)	(49)
NET CASH FROM OPERATING ACTIVITIES	47,864	76,072
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(29,035)	(34,218)
Purchase of club membership	–	(40)
Acquisition of additional interests in subsidiaries	(148,604)	–
Dividends received from a jointly controlled entity	7,819	2,570
Dividend received from an associate	3,809	3,351
Proceeds from disposal of property, plant and equipment	2,526	18
Increase in pledged bank deposits	(1,000)	(2,000)
Deposits paid for the acquisitions of property, plant and equipment	(25,541)	–
NET CASH USED IN INVESTING ACTIVITIES	(190,026)	(30,319)

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FINANCING ACTIVITIES		
Repayment of bank loans	(5,655)	(40,056)
Repayment of advance from a related company	–	(19,427)
Increase in trust receipt loans	20,415	8,242
Repayment of loans from minority shareholders of subsidiaries	(25,964)	(3,666)
New bank loans raised	72,171	11,183
Capital element of finance lease payments	(442)	(199)
Interim dividend paid	(15,238)	–
Proceeds on issue of ordinary shares	102,405	–
Share issue expenses paid	(3,950)	–
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NET CASH FROM (USED IN) FINANCING ACTIVITIES	143,742	(43,923)
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NET INCREASE IN CASH AND CASH EQUIVALENTS	1,580	1,830
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	26,412	24,582
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CASH AND CASH EQUIVALENTS AT END OF THE YEAR	27,992	26,412
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ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	27,992	26,412
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