

Consolidated Cash Flow Statement

Year ended 31 December 2003

	<i>Notes</i>	Year ended 31 December 2003 HK\$'000	Period from 1 October 2001 to 31 December 2002 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		35,264	(20,993)
Adjustments for:			
Finance costs	7	26,370	37,171
Loss on disposal of subsidiaries, associates and jointly-controlled entity		–	6,672
Write back of provision of investments in and amounts due from jointly-controlled entities		–	(3,284)
Share of profits and losses of jointly-controlled entities and associates		(1,486)	(84)
Interest income	6	(1,005)	(5,715)
Dividend income from long term investments	6	–	(2,047)
Loss/(gain) on disposal of fixed assets	6	3,875	(370)
Depreciation	6	40,384	47,572
Amortisation of trademarks	6	692	864
Operating profit before working capital changes		104,094	59,786
Decrease in certificate of deposits		–	13,452
Decrease/(increase) in bills receivable		(9,953)	5,560
Decrease/(increase) in trade receivables		(38,754)	33,112
Decrease/(increase) in inventories		41,781	(11,979)
Decrease/(increase) in deposits, prepayments and other receivables		4,940	(42,203)
Decrease/(increase) in amounts due from jointly-controlled entities		2,780	(533)
Decrease in bills payable		(951)	(26,402)
Increase in trade payables and accrued purchases		1,592	28,203
Increase/(decrease) in other payables and accruals		11,236	(17,100)
Decrease in provision for long service payments		(1,337)	(6,931)
Increase in amounts due to jointly-controlled entities		5,590	–
Cash generated from operations		121,018	34,965
Hong Kong profits tax paid		(454)	(3,167)
Overseas taxes paid		(2,290)	(1,172)
Net cash inflow from operating activities		118,274	30,626

Consolidated Cash Flow Statement Year ended 31 December 2003 (cont'd)

		Year ended 31 December 2003 HK\$'000	Period from 1 October 2001 to 31 December 2002 HK\$'000
	<i>Notes</i>		
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,005	5,715
Dividends received from long term investments		–	2,047
Purchases of fixed assets		(57,657)	(157,490)
Proceeds from disposal of fixed assets		4,864	8,007
Decrease in amounts due from jointly-controlled entities		40	4,360
Increase in amounts due to associates		–	115
Capital contribution to a jointly-controlled entity		(80)	(5,974)
Disposal of subsidiaries	33(a)	–	(1,839)
Decrease/(increase) in pledged deposits		11,961	(11,961)
Proceeds from disposal of associates		–	3,206
Acquisition of minority interests in subsidiaries		–	(271)
Net cash outflow from investing activities		(39,867)	(154,085)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		386,815	458,710
Decrease in trust receipt loans		(5,164)	(112,659)
Repayment of bank loans		(380,989)	(309,675)
Capital element of finance lease and hire purchase rental payments		(538)	(661)
Interest paid	7	(15,766)	(24,111)
Interest element on finance lease and hire purchase rental payments	7	(73)	(81)
Factoring expenses	7	(4,168)	(4,913)
Bank charges	7	(6,363)	(8,066)
Exercise of share options	30	1,525	1,151
Dividends paid		(9,757)	(11,902)
Net cash outflow from financing activities		(34,478)	(12,207)

Consolidated Cash Flow Statement Year ended 31 December 2003 (cont'd)

		Year ended 31 December 2003 HK\$'000	Period from 1 October 2001 to 31 December 2002 HK\$'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		43,929	(135,666)
Cash and cash equivalents at beginning of year/period		136,040	271,520
Effect of foreign exchange rate changes, net		(334)	186
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		179,635	136,040
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	29	182,581	137,043
Bank overdrafts	24	(2,946)	(1,003)
		179,635	136,040