

Consolidated Cash Flow Statement

For the year ended 31 December 2003

<i>Note</i>	2003 HK\$'000	2002 HK\$'000 (restated)
OPERATING ACTIVITIES		
Profit from operations	6,515	8,894
Adjustments for:		
Dividend income from investment securities	(3,019)	(3,009)
Depreciation	27,723	28,441
Amortisation of intangible assets	2,551	2,568
Interest income	(2,711)	(2,123)
Gain on disposal of property, plant and equipment	(308)	(580)
Write-back of allowance for doubtful debts	(224)	(1,002)
Revaluation surplus (deficit) arising from investment properties	(5,400)	859
Inventories written off	6,896	–
Allowance for inventories	5,009	3,389
Write-back of impairment loss made on investments securities	–	(11,500)
Property, plant and equipment written off	–	43
Operating cash flows before movements in working capital	37,032	25,980
Increase in inventories	(16,104)	(6,261)
Increase in trade and bills receivables	(5,080)	(13,200)
Decrease (increase) in other receivables	30,996	(436)
Increase in trade and bills payables	55,429	9,498
Increase in other payables and accruals	69,493	1,066
Increase in amounts due from jointly controlled entities	2,345	3,892
Cash generated from operations	174,111	20,539
Hong Kong Profits Tax paid (refund)	582	(389)
Interest paid	(7,324)	(4,011)
NET CASH FROM OPERATING ACTIVITIES	167,369	16,139
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(455,622)	(13,718)
Increase in pledged bank deposits	(138,771)	–
Additions to intangible assets	(3,480)	(2,343)
Dividend received from investment securities	3,019	6,009
Interest received	2,711	2,123
Net cash inflow from disposal of a subsidiary	2,192	–
Proceeds from disposal of property, plant and equipment	1,435	3,557
Proceeds from disposal of a jointly controlled entity	–	7,548
NET CASH (USED IN) FROM ACTIVITIES	(588,516)	3,176

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FINANCING ACTIVITIES		
New bank loans raised	92,875	12,728
Proceeds from issue of shares, net of issue share expenses	56,648	–
Increase in trust receipt loans	6,780	17,353
Repayment of bank loans	(12,728)	(12,728)
Dividend paid to minority shareholders	(400)	(1,400)
Issue of convertible bonds	–	200,000
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NET CASH FROM FINANCING ACTIVITIES	143,175	215,953
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NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(277,972)	235,268
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CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	343,802	108,534
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CASH AND CASH EQUIVALENTS AT END OF THE YEAR	65,830	343,802
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ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	60,756	91,892
Non-pledged bank deposits with original maturity of less than three months when acquired	5,074	251,910
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	65,830	343,802
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