

Consolidated Cash Flow Statement

Year ended 31 December 2003

	Notes	2003 HK\$	2002 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		5,640,397	632,367
Adjustments for:			
Finance costs	8	5,808,182	2,904,978
Share of loss of an associate		4,335,105	45,782
Interest income	5	(116,570)	(247,475)
Depreciation	7	23,673,634	23,367,258
Amortisation of intangible assets	7	1,143,763	247,930
Loss on disposal of fixed assets	6	60,836	3,767
Gain on sale of long term investments, net	6	–	(9,325,422)
Surplus on revaluation of leasehold land and buildings credited to the consolidated profit and loss account	6	(248,192)	(179,706)
Provision/(write back of provision) for doubtful debts	6	93,270	(79,339)
Warrant subscription reserve recognised as income upon expiry of warrants	5	(1,389,475)	–
Operating profit before working capital changes		39,000,950	17,370,140
Increase in inventories		(10,367,531)	(4,914,156)
Increase in prepayments, deposits and other receivables		(4,979,869)	(3,865,877)
Decrease/(increase) in trade and bills receivables		(18,296,789)	2,022,140
Increase in trade payables		16,473,725	1,372,620
Increase in accrued liabilities and other payables		7,979,215	2,618,488
Cash generated from operations		29,809,701	14,603,355
Interest received		116,570	254,120
Interest paid		(2,868,066)	(2,222,430)
Interest element on finance lease rental payments		(1,118,515)	(669,430)
Hong Kong profits tax paid		(168,012)	(406,992)
Overseas tax paid		–	(76,103)
Net cash inflow from operating activities		25,771,678	11,482,520

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Net cash inflow from operating activities		25,771,678	11,482,520
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(6,371,365)	(14,792,053)
Investment in an associate		(25,584,000)	(3,198,000)
Decrease/(increase) in amount due from an associate		315,859	(315,859)
Additions to intangible assets	15	(3,250,000)	(1,750,000)
Increase in pledged time deposits		(60,983)	(3,128,074)
Purchases of long term investments		(2,500,000)	(308,450)
Proceeds from sale of long term investments		–	14,348,422
Deposit paid for purchase of leasehold land		–	(4,720,000)
Net cash outflow from investing activities		(37,450,489)	(13,864,014)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in bank and instalment loans		2,376,709	18,961,247
Decrease in mortgage loans		(347,934)	(330,192)
Increase/(decrease) in trust receipt loans		3,131,909	(8,951,198)
Capital element of finance lease rental payments		(7,735,576)	(8,332,422)
Proceeds from issue of shares	30	400,000	–
Proceeds from issue of convertible loan notes and fixed rate loan notes	29	20,007,000	–
Net cash inflow from financing activities		17,832,108	1,347,435
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		6,153,297	(1,034,059)
Cash and cash equivalents at beginning of year		14,554,390	16,245,240
Effect of foreign exchange rate changes, net		6,379	(656,791)
CASH AND CASH EQUIVALENTS AT END OF YEAR		20,714,066	14,554,390
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	22	12,618,842	7,826,707
Time deposits	22	8,095,224	8,117,530
Bank overdrafts	23	–	(1,389,847)
		20,714,066	14,554,390