

# Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31ST DECEMBER, 2002

	Notes	2002 HK\$'000	2001 HK\$'000
<b>OPERATING ACTIVITIES</b>			
Profit from operations		93,980	80,462
Adjustments for:			
Interest income		(5,290)	(5,383)
Depreciation		28,691	24,062
Allowance for (write back of) bad and doubtful debts, net		1,763	(5,380)
Amortisation of goodwill		526	526
Release of negative goodwill		(413)	(403)
Loss on disposal of property, plant and equipment		2,522	352
Revaluation decrease on investment properties		1,500	–
Operating cash flow before movements in working capital		123,279	94,236
(Increase) decrease in inventories		(84,621)	23,468
(Increase) decrease in trade and other receivables		(58,459)	13,403
(Increase) decrease in amounts due from customers for contract work		(7)	62
Decrease in amounts due to customers for contract work		(13,724)	(12,610)
Decrease in trade and other payables		(35,223)	(36,586)
Effect of foreign exchange rate changes		(680)	349
Cash (used in) generated from operations		(69,435)	82,322
Hong Kong Profits Tax paid		(3,820)	(405)
Overseas taxation paid		(96)	(433)
Hong Kong Profits Tax refunded		17	829
<b>NET CASH (USED IN) FROM OPERATING ACTIVITIES</b>		<b>(73,334)</b>	<b>82,313</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(60,856)	(20,242)
Advance of loans		(20,158)	–
Net (outflow) inflow of cash and cash equivalents in respect of acquisition of subsidiaries	37	(8,005)	7,961
(Increase) decrease in pledged bank deposits		(7,353)	13,152
Payment of deferred consideration on acquisition of a subsidiary and further interests in subsidiaries		(1,563)	(8,433)
Net outflow of cash and cash equivalents in respect of disposal of a subsidiary	38	(5)	–
Repayment of loans advanced		16,158	–
Proceeds from disposal of property, plant and equipment		9,025	252
Interest received		5,918	2,484
Expenses for proposed investment written off		–	(7,161)
Acquisition of further interests in subsidiaries from minority shareholders		–	(16,480)
Proceeds from disposal of interest in a subsidiary to minority shareholders		–	6,968
Repayment of minority shareholders		–	233
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(66,839)</b>	<b>(21,266)</b>

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FOR THE YEAR ENDED 31ST DECEMBER, 2002

	2002 HK\$'000	2001 HK\$'000
FINANCING ACTIVITIES		
Bank loans raised	173,429	40,118
Net borrowing (repayment) of trust receipt loans	36,947	(2,355)
Injection from minority shareholders	10,311	–
Advance from (repayment of) minority shareholders	8,893	(3,560)
Repayment of bank loans	(31,560)	(37,263)
Repayment of convertible note	(20,000)	–
Interest paid	(18,487)	(21,827)
Repayment of mortgage loans	(14,053)	(11,565)
Dividend paid to minority shareholders of subsidiaries	(15,763)	(8,506)
Dividend paid	(11,347)	–
Repayment of obligations under finance leases	(8,528)	(6,612)
(Repayment of) advance from a shareholder	(124)	124
Repayment of notes payable to a shareholder	–	(22,850)
Mortgage loans raised	11,000	23,401
Proceeds from issue of shares	–	116
NET CASH FROM (USED IN) FINANCING ACTIVITIES	120,718	(50,779)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(19,455)	10,268
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	104,560	94,263
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(422)	29
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	84,683	104,560
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	106,025	120,980
Bank overdrafts	(21,342)	(16,420)
	84,683	104,560