

# Consolidated Cash Flow Statement

For the year ended 30 June 2003

	Note	2003 HK\$'000	2002 HK\$'000
<b>OPERATING ACTIVITIES</b>			
Profit (loss) from operations		<b>183,768</b>	(7,965)
Adjustments for:			
Allowance for amount due from an associate		<b>2,954</b>	835
Allowance for bad and doubtful debts		<b>16,642</b>	17,506
Allowance for obsolete inventories		<b>18,154</b>	13,000
Deficit on revaluation of land and buildings		<b>914</b>	3,505
Depreciation		<b>57,207</b>	49,066
Impairment loss on investment securities		<b>–</b>	65,099
Interest income		<b>(1,426)</b>	(7,235)
(Gain) loss on disposal of property, plant and equipment		<b>(1,532)</b>	118
Operating cash flows before working capital changes		<b>276,681</b>	133,929
Increase in inventories		<b>(314,412)</b>	(359,485)
Increase in trade and bill receivables		<b>(589,875)</b>	(201,620)
Increase in prepayments, deposits and other receivables		<b>(134,017)</b>	(2,012)
Increase in trade and bill payables		<b>427,701</b>	455,844
Decrease in accruals and other payables		<b>7,488</b>	40,770
Decrease in trust receipt loans		<b>(220,971)</b>	(37,752)
Decrease in amount due to a related party		<b>–</b>	(2,818)
Cash (used in) from operations		<b>(547,405)</b>	26,856
Hong Kong Profits Tax paid		<b>(1,813)</b>	(6,299)
Overseas tax paid		<b>(14,610)</b>	(7,170)
<b>NET CASH (USED IN) FROM OPERATING ACTIVITIES</b>		<b>(563,828)</b>	13,387
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		<b>(89,896)</b>	(95,446)
Deposits paid for acquisitions of property, plant and equipment		<b>(14,456)</b>	–
Purchase of investments in securities		<b>(2,546)</b>	–
Advances to an associate		<b>(975)</b>	(2,814)
Decrease (increase) in pledged bank deposits		<b>28,770</b>	(48,526)
Proceeds from disposal of subsidiaries (net of cash and cash equivalents disposed of)	26	<b>8,109</b>	–
Proceeds from disposal of property, plant and equipment		<b>4,072</b>	492
Interest received		<b>1,426</b>	7,235
Acquisition of additional interest in a subsidiary		<b>–</b>	(2,381)
Investments in associates		<b>–</b>	(58)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(65,496)</b>	(141,498)

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For the year ended 30 June 2003

	Note	2003 HK\$'000	2002 HK\$'000
FINANCING ACTIVITIES			
New bank and other borrowings raised		1,532,131	416,090
Repayments of bank and other borrowings		(399,482)	(333,040)
Redemption of convertible bonds		(154,933)	(29,280)
Interest paid on bank and other borrowings		(50,164)	(31,417)
Dividend paid		(10,991)	–
Dividend paid to minority shareholders		(3,347)	–
Repayments of obligations under finance leases		(2,929)	(3,318)
Interest paid on finance leases		(131)	(349)
Capital contributed from a minority shareholder		–	6,688
NET CASH FROM FINANCING ACTIVITIES		910,154	25,374
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		280,830	(102,737)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		202,978	301,691
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		(290)	4,024
CASH AND CASH EQUIVALENTS CARRIED FORWARD representing bank balances and cash		483,518	202,978
Cash and cash equivalents as previously reported			58,570
Effect of reclassification of trust receipt loans with maturity dates due within three months	2		144,408
Cash and cash equivalents as restated, being bank balances and cash			202,978