

Consolidated Cash Flow Statement

For the year ended December 31, 2003

	Note	2003 HK\$'000	2002 HK\$'000
OPERATING ACTIVITIES			
Profit from operations		31,706	23,220
Adjustments for:			
Dividend income		(8)	(146)
Interest income		(2,419)	(2,553)
Impairment losses recognised in respect of investments in securities		–	2,298
Gain on disposal of investments in securities		(758)	(33)
Revaluation decrease on investment properties		115	8,693
Depreciation and amortisation		4,775	7,052
(Gain) loss on disposal of property, plant and equipment		(4,594)	2,895
Allowance for doubtful debts		19,112	6,235
Operating cash flows before movements in working capital		47,929	47,661
Increase in inventories		(4,806)	(13,013)
(Increase) decrease in trade and other receivables, deposits and prepayments		(91,608)	90,429
Increase in amount due from an associate		(493)	–
Decrease (increase) in amounts due from related companies		4,064	(4,627)
Increase (decrease) in trade and other payables		16,805	(79,960)
Decrease in bills payable		(2,202)	(16,759)
Increase in amount due to a related company		8,866	–
CASH (USED IN) GENERATED FROM OPERATIONS		(21,445)	23,731
Hong Kong Profits Tax paid		(6,992)	–
Overseas Tax paid		(4,985)	(5,166)
Interest paid		(9,574)	(7,881)
Interest on obligations under finance leases		(39)	(74)
NET CASH (USED IN) FROM OPERATING ACTIVITIES		(43,035)	10,610
INVESTING ACTIVITIES			
Dividend received		8	146
Interest received		2,419	2,553
Purchase of investment properties		(120)	(120)
Purchase of property, plant and equipment		(2,804)	(1,727)
Repayment of staff advances		1,056	2,174
Advances to staff		(420)	–
Purchase of investments in securities		(2,334)	–
Disposal of subsidiaries	34	(768)	(147)
Increase in pledged bank deposits		(25,010)	(43,357)
Proceeds from disposal of property, plant and equipment		6,471	1,262
Proceeds from disposal of investments in securities		4,170	192
NET CASH USED IN INVESTING ACTIVITIES		(17,332)	(39,024)

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For the year ended December 31, 2003

	2003 HK\$'000	2002 HK\$'000
FINANCING ACTIVITIES		
Dividends paid	(5,371)	(8,056)
New bank loans raised	597,026	130,375
New trust receipt loans raised	208,155	26,767
Issue of shares	-	190
Repayment of obligations under finance leases	(100)	(372)
Repayment of bank loans	(542,674)	(89,825)
Repayment of trust receipt and other loans	(194,276)	(7,520)
NET CASH FROM FINANCING ACTIVITIES	62,760	51,559
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,393	23,145
CASH AND CASH EQUIVALENTS AT JANUARY 1	122,078	97,738
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	3,576	1,195
CASH AND CASH EQUIVALENTS AT DECEMBER 31	128,047	122,078
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	145,005	145,508
Bank overdrafts	(16,958)	(23,430)
	128,047	122,078