

Consolidated Cash Flow Statement

For the year ended 31st December 2003

	Note	2003 HK\$'000	2002 HK\$'000
OPERATING ACTIVITIES			
Cash generated from operations	a	45,225	48,651
Net profits tax paid			
– Net Hong Kong profits tax refund		–	137
– Overseas tax paid		(12,320)	(8,482)
NET CASH FROM OPERATING ACTIVITIES		32,905	40,306
INVESTING ACTIVITIES			
Purchase of fixed assets		(12,676)	(15,319)
Construction in progress		(15,251)	(43,236)
Proceeds on disposal of fixed assets		338	6,266
Purchase of subsidiaries	c	(198)	(2,101)
Subscription of a new joint venture		–	(474)
Purchase of investment securities and other investments		–	(1,365)
Proceeds on disposal of interests in investment securities		252	73
Repayment of finance lease receivables		2,518	2,258
Interest received		1,139	1,532
Dividends received from an associated company		458	437
Dividends received from joint ventures		6,474	5,528
NET CASH USED IN INVESTING ACTIVITIES		(16,946)	(46,401)
FINANCING ACTIVITIES			
Issue of new ordinary shares	b	–	1,635
New bank loans	b	–	28,228
Repayment of bank loans	b	(32,195)	(15,881)
Interest paid		(2,267)	(2,699)
Dividend paid		(2,201)	(2,259)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES		(36,663)	9,024
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(20,704)	2,929
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		105,610	102,920
EFFECT OF FOREIGN EXCHANGE RATE CHANGE		(219)	(239)
CASH AND CASH EQUIVALENTS AT THE END OF YEAR		84,687	105,610
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Cash, bank balances and deposits		84,687	114,352
Bank overdrafts		–	(8,742)
		84,687	105,610

Consolidated Cash Flow Statement *(Cont'd)*

For the year ended 31st December 2003

a. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2003 HK\$'000	2002 HK\$'000
Profit before taxation	28,871	34,329
Depreciation of fixed assets	33,794	29,498
Net profit on disposal of fixed assets	(60)	(275)
Share of profit less losses of		
– associated company	(890)	(3,133)
– joint ventures	(14,875)	(6,472)
Revaluation (surplus)/deficit on investment properties	(303)	594
Impairment in land and building	940	–
Impairment in other investment	–	3,900
Negative goodwill recognised as income	(1,155)	(1,150)
Amortisation of goodwill	2,227	2,227
Write off construction in progress	57	111
Net interest expenses	1,336	1,486
Profit on disposal of interests in investment securities	(41)	(89)
Operating profit before working capital changes	49,901	61,026
Increase in inventories	(8,653)	(7,990)
Increase in trade and other receivables	(1,286)	(7,438)
Increase in trade and other payables	6,360	5,611
Decrease/(increase) in amounts due by an associated company	351	(191)
Decrease in amounts due by joint ventures	74	678
Decrease in amounts due from other investment	703	–
Increase in net investment in finance lease	(2,225)	(3,045)
Cash generated from operations	45,225	48,651

Consolidated Cash Flow Statement (Cont'd)

For the year ended 31st December 2003

b. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share capital (including premium) HK\$'000	Bank loans HK\$'000	Minority interests HK\$'000
Balance at 1st January 2002, as previously reported	200,091	67,740	16,620
Effect of changes in accounting policies – provision for net deferred tax liabilities	–	–	7
Balance at 1st January 2002, as restated	200,091	67,740	16,627
Effect of foreign exchange rate changes	–	(221)	(1)
Purchase of subsidiaries (note c)	–	–	(1,991)
Cash inflow from financing	1,635	12,347	–
Shares issued for non-cash consideration	3,862	–	–
Minority interests' share of profit	–	–	2,442
Share of investment property revaluation deficit by minority interests	–	–	(105)
Balance at 31st December 2002	205,588	79,866	16,972
Balance at 1st January 2003, as previously stated	205,588	79,866	16,899
Effect of changes in accounting policies – provision for net deferred tax liabilities	–	–	73
Balance at 1st January 2003, as restated	205,588	79,866	16,972
Effect of foreign exchange rate changes	–	6,635	214
Purchase of subsidiaries (note c)	–	–	(259)
Cash outflow from financing	–	(32,195)	–
Shares issued for non-cash consideration	4,028	–	–
Share of investment property revaluation surplus by minority interests	–	–	11
Minority interests' share of profit	–	–	1,054
Balance at 31st December 2003	209,616	54,306	17,992

Consolidated Cash Flow Statement *(Cont'd)*

For the year ended 31st December 2003

c. PURCHASE OF SUBSIDIARIES

	2003 HK\$'000	2002 HK\$'000
Further acquisition of interests in subsidiaries from minority shareholders	259	1,991
Positive goodwill	-	110
Negative goodwill	(61)	-
	<u>198</u>	<u>2,101</u>
Satisfied by:		
Cash	<u>198</u>	<u>2,101</u>