

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31ST DECEMBER, 2003

	Notes	2003 HK\$'000	2002 HK\$'000 (restated)
OPERATING ACTIVITIES			
Profit from operations		92,550	94,065
Adjustments for:			
Interest income		(2,772)	(5,290)
Depreciation		37,359	28,691
(Write back of) allowance for bad and doubtful debts, net		(7,970)	1,763
Amortisation of goodwill		4,502	526
Release of negative goodwill		(720)	(498)
(Gain) loss on disposal of property, plant and equipment		(110)	2,522
Revaluation decrease on investment properties		540	1,500
Gain on disposal of investment in a security		(2,000)	–
Operating cash flows before movements in working capital		121,379	123,279
Increase in inventories		(35,893)	(84,621)
Increase in trade and other receivables		(150,409)	(58,459)
Decrease (increase) in amounts due from customers for contract work		7	(7)
Decrease in amounts due to customers for contract work		(7,254)	(13,724)
Increase (decrease) in trade and other payables		77,393	(35,223)
Effect of foreign exchange rate changes		(1,496)	(680)
Cash generated from (used in) operations		3,727	(69,435)
Hong Kong Profits Tax paid		(5,546)	(3,820)
Overseas taxation paid		(461)	(96)
Hong Kong Profits Tax refunded		438	17
Overseas taxation refunded		13	–
NET CASH USED IN OPERATING ACTIVITIES		(1,829)	(73,334)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(59,952)	(60,856)
Net outflow of cash and cash equivalents in respect of acquisition of subsidiaries	35	(75,631)	(8,005)
Advance of loans		(20,885)	(20,158)
Net outflow of cash and cash equivalents in respect of disposal of subsidiaries	36	(18,309)	(5)
Consideration on acquisition of further interests in subsidiaries		(12,028)	–
Increase in pledged bank deposits		(7,894)	(7,353)
Payment of deferred consideration on acquisition of a subsidiary and further interests in subsidiaries		(2,525)	(1,563)
Repayment of loans advanced		26,324	16,158
Proceeds from disposal of investment in a security		7,000	–
Interest received		6,593	5,918
Proceeds from disposal of property, plant and equipment		3,489	9,025
Receipt of deferred consideration on disposal of property, plant and equipment		938	–
NET CASH USED IN INVESTING ACTIVITIES		(152,880)	(66,839)

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FINANCING ACTIVITIES		
Bank loans raised	232,058	173,429
Other loans raised	75,000	–
Net borrowing of trust receipt loans	53,737	36,947
Injection from minority shareholders	16,536	10,311
Mortgage loans raised	3,938	11,000
Advance from minority shareholders	145	8,893
Repayment of bank loans	(112,428)	(31,560)
Interest paid	(29,956)	(18,487)
Repayment of mortgage loans	(20,218)	(14,053)
Dividend paid	(14,184)	(11,347)
Dividend paid to minority shareholders of subsidiaries	(11,185)	(15,763)
Repayment of obligations under finance leases	(6,374)	(8,528)
Repayment of convertible note	–	(20,000)
Repayment of advance from a shareholder	–	(124)
NET CASH FROM FINANCING ACTIVITIES	187,069	120,718
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	32,360	(19,455)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	84,683	104,560
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(550)	(422)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	116,493	84,683
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	125,157	106,025
Bank overdrafts	(8,664)	(21,342)
	116,493	84,683