

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2003

	2003 HK\$	2002 HK\$
OPERATING ACTIVITIES		
Profit from operations	29,024,892	55,928,560
Adjustments for:		
Depreciation and amortisation of property, plant and equipment	60,441,063	60,001,248
Amortisation of goodwill	3,098,199	3,091,571
Release of negative goodwill	(289,012)	(701,230)
Loss on disposal of property, plant and equipment	930,823	2,278,044
Deficit arising on revaluation of leasehold land and buildings	627,942	565,434
Allowance for bad and doubtful debts	5,000,000	3,860,061
Allowance for obsolete inventories	4,000,000	5,919,558
Operating cash flows before movements in working capital	102,833,907	130,943,246
Decrease (increase) in inventories	6,678,495	(61,569,612)
Increase in trade and other receivables	(93,282,457)	(74,083,818)
Increase in bills receivable	(3,923,281)	(2,178,373)
Increase in trade and other payables	24,670,859	110,312,789
Increase in bills payable	1,787,736	33,172,849
Cash generated from operations	38,765,259	136,597,081
Tax outside Hong Kong paid	(9,858,569)	(4,634,730)
Hong Kong Profits Tax refunded (paid)	1,000,847	(2,493,055)
NET CASH FROM OPERATING ACTIVITIES	29,907,537	129,469,296

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	Note	2003 HK\$	2002 HK\$
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(61,220,058)	(64,762,957)
Decrease (increase) in pledged bank deposits		4,207,053	(17,069,448)
Acquisition of associates		–	(10,198,595)
Acquisition of additional shareholding in subsidiaries from minority shareholders		(4,057,115)	(468,949)
Disposal of subsidiaries	31	47,893	(1,069,318)
Amounts advanced to associates		(6,216,750)	(130,537)
Proceeds from disposal of property, plant and equipment		16,172,639	5,760,544
Dividend received from an associate		2,200,026	1,980,378
Interest received		527,648	1,408,333
Proceeds from disposal of investments in securities		–	1,323,775
Dividends received from investments in securities		308,091	233,647
Amounts (advanced to) repaid by investee companies		(87,186)	69,246
NET CASH USED IN INVESTING ACTIVITIES		(48,117,759)	(82,923,881)
FINANCING			
Repayment of bank loans		(95,749,785)	(175,354,120)
Interest paid		(17,825,958)	(19,139,434)
Repayment of obligations under finance leases		(5,583,415)	(7,960,913)
Dividends paid to minority shareholders of subsidiaries		(2,411,928)	(4,607,903)
Repayment of other loans		(329,297)	(985,306)
Bank loans raised		140,845,275	180,525,899
Capital contributed by minority shareholders of subsidiaries		748	4,713,669
Other loans raised		8,405,334	1,081,940
Amounts advanced from associates		–	861,093
Proceeds from issue of shares		486,200	–
NET CASH FROM (USED IN) FINANCING		27,837,174	(20,865,075)
INCREASE IN CASH AND CASH EQUIVALENTS		9,626,952	25,680,340
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		56,197,093	30,457,964
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		(695,393)	58,789
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		65,128,652	56,197,093

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ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	103,507,801	81,253,479
Bank overdrafts	(38,379,149)	(25,056,386)
	65,128,652	56,197,093