

## CONSOLIDATED CASH FLOW STATEMENT

*For the year ended December 31, 2003*

	<i>NOTE</i>	<b>2003</b> <i>HK\$'000</i>	2002 <i>HK\$'000</i>
<b>OPERATING ACTIVITIES</b>			
Profit from operations		<b>618,289</b>	297,891
Adjustments for:			
Allowance for doubtful debts		–	14,276
Interest income		<b>(1,589)</b>	(2,241)
Depreciation and amortisation		<b>129,024</b>	103,818
Amortisation of intangible assets		<b>13,770</b>	14,303
Impairment of intangible assets		<b>10,878</b>	–
Amortisation of goodwill		<b>3,168</b>	1,546
Loss on disposal of property, plant and equipment		<b>9,030</b>	7,587
Gain on partial disposal of interest in a subsidiary		–	(758)
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Operating cash flows before movements in working capital		<b>782,570</b>	436,422
Increase in inventories		<b>(10,739)</b>	(126,005)
Increase in trade and other receivables		<b>(10,989)</b>	(132,190)
Decrease in bills receivable		<b>29,235</b>	25,319
Decrease in trade receivables due from related companies		<b>88,517</b>	55,943
Increase in amount due from a jointly controlled entity		<b>(2,644)</b>	(2,064)
Increase in trade and other payables		<b>11,608</b>	105,256
Increase in bills payable		<b>257,717</b>	41,628
Increase in amounts due to related companies		<b>26,111</b>	–
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Cash generated by operations		<b>1,171,386</b>	404,309
Interest received		<b>1,589</b>	2,241
Interest paid		<b>(25,361)</b>	(27,542)
PRC income tax paid		<b>(92,842)</b>	(32,268)
Dividends paid to minority shareholders		<b>(2,928)</b>	(458)
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<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		<b>1,051,844</b>	346,282
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<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		<b>(323,602)</b>	(302,155)
Deposits paid for acquisition of property, plant and equipment		<b>(91,570)</b>	–
Increase in pledged bank deposits		<b>(78,432)</b>	–
Acquisition of a subsidiary (net of cash and cash equivalents acquired)	27	<b>(17,211)</b>	8,536
Purchase of technical know-how		<b>(1,122)</b>	(3,910)
Purchase of utility rights		<b>(467)</b>	(4,397)
Development costs incurred		–	(962)
Dividend received from a jointly controlled entity		–	4,633
Repayment of loans receivable		<b>795</b>	795
Proceeds from disposal of property, plant and equipment		<b>4,083</b>	8,890
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<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		<b>(507,526)</b>	(288,570)
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**CONSOLIDATED CASH FLOW STATEMENT****(cont'd)***For the year ended December 31, 2003*

	<b>2003</b>	2002
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
FINANCING ACTIVITIES		
Bank loans raised	<b>301,479</b>	515,843
Proceeds from issue of shares for cash, net of expenses	<b>22,193</b>	27,266
Repayment of bank loans	<b>(622,853)</b>	(357,451)
Repayment of loan from ultimate holding company	–	(54,218)
Dividends paid	<b>(197,802)</b>	(44,656)
Loans from ultimate holding company	<b>101,590</b>	–
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NET CASH (OUTFLOW) INFLOW FROM FINANCING ACTIVITIES	<b>(395,393)</b>	86,784
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INCREASE IN CASH AND CASH EQUIVALENTS	<b>148,925</b>	144,496
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CASH AND CASH EQUIVALENTS BROUGHT FORWARD	<b>324,274</b>	179,778
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CASH AND CASH EQUIVALENTS CARRIED FORWARD, represented by bank balances and cash	<b><u>473,199</u></b>	<u>324,274</u>