

# consolidated cash flow statement

for the year ended 31st December, 2003

	Notes	2003 HK\$'000	2002 HK\$'000 (As restated)
<b>Operating Activities</b>			
Profit from operations		864,959	579,758
Adjustments for:			
Amortisation/write off of intangible assets		7,779	4,716
Amortisation of goodwill		25,056	6,523
Depreciation and amortisation on property, plant and equipment		303,846	262,612
Impairment loss of investment securities recognised		14,028	6,673
Interest income		(16,743)	(13,738)
Profit on disposal of property, plant and equipment		(4,304)	(16,073)
Release of negative goodwill to income		(4,306)	(4,306)
Loss on disposal of a subsidiary	31	-	1,345
Loss on disposal of an associate		-	108
Operating cash flows before movements in working capital		1,190,315	827,618
Increase in inventories		(455,063)	(680,181)
Increase in trade and other receivables, deposits and prepayments		(747,305)	(397,117)
Decrease in bills receivable		225,641	70,579
Decrease (increase) in trade receivables from associates		6,712	(4,249)
Increase in trade and other payables		186,109	116,175
Increase in bills payable		1,196,329	1,006,475
Increase in warranty provision		59,640	50,622
Increase in trade payable to an associate		3,230	-
Cash generated from operations		1,665,608	989,922
Interest paid		(93,647)	(83,978)
Hong Kong Profits Tax paid		(30,537)	(26,176)
Overseas Tax paid		(59,582)	(47,870)
Overseas Tax refunded		16,138	870
<b>Net Cash from Operating Activities</b>		<b>1,497,980</b>	<b>832,768</b>
<b>Investing Activities</b>			
Interest received		16,743	13,738
Proceeds from disposal of property, plant and equipment		94,920	35,396
Purchase of property, plant and equipment		(238,299)	(238,016)
Additions to intangible assets		(6,642)	(11,388)
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	30	(818,857)	(15,593)
Disposal of a subsidiary (net of cash and cash equivalents disposed of)	31	-	(275)
(Advance to) repayment from associates		(2,116)	9,745
Proceeds from disposal of investments in securities		1,810	-
Acquisition of an associate		-	(17,550)
Purchase of investments in securities		-	(4,076)
Decrease in pledged bank deposit		-	27,300
<b>Net Cash used in Investing Activities</b>		<b>(952,441)</b>	<b>(200,719)</b>

	2003 HK\$'000	2002 HK\$'000 (As restated)
<b>Financing Activities</b>		
New bank loans obtained	1,178,302	312,000
Proceeds from issue of fixed interest rate notes	1,089,321	–
Proceeds from issue of shares	61,938	397,380
Increase in trust receipt loans	14,697	15,748
Repayment of bank loans	(2,037,364)	(64,918)
Repayment of obligations under finance leases	(10,169)	(10,719)
Dividend paid	(113,251)	(83,755)
Dividend paid to minority shareholders	–	(3,301)
Share issue expenses	–	(11,954)
<b>Net Cash from Financing Activities</b>	<b>183,474</b>	<b>550,481</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>729,013</b>	<b>1,182,530</b>
<b>Cash and Cash Equivalents at Beginning of the Year</b>	<b>1,753,900</b>	<b>585,567</b>
<b>Effect of Foreign Exchange Rate Changes</b>	<b>(38,815)</b>	<b>(14,197)</b>
<b>Cash and Cash Equivalents at End of the Year</b>	<b>2,444,098</b>	<b>1,753,900</b>
<b>Analysis of the Balances of Cash and Cash Equivalents</b>		
Represented by:		
Bank balances, deposits and cash	2,586,075	1,855,491
Bank overdrafts	(141,977)	(101,591)
	<b>2,444,098</b>	<b>1,753,900</b>