

# C o n s o l i d a t e d   C a s h   F l o w   S t a t e m e n t

for the year ended December 31, 2003

| <i>Note</i>  | <b>2003</b><br><b>HK\$</b> | 2002<br><b>HK\$</b> |
|--|----------------------------|---------------------|
| <b>OPERATING ACTIVITIES</b>  |                            |                     |
| Profit from operations   | <b>273,315,288</b>         | 208,307,098         |
| Adjustments for:   |                            |                     |
| Depreciation and amortisation on property,<br>plant and equipment        | <b>30,546,206</b>          | 21,960,751          |
| Amortisation of intangible assets  | <b>174,371</b>             | 461,030             |
| Amortisation of goodwill   | <b>2,974,380</b>           | 2,974,380           |
| Impairment loss on property held for redevelopment                       | <b>1,998,971</b>           | 5,500,000           |
| Loss on disposal of property, plant and equipment                        | <b>2,224,304</b>           | 4,156,159           |
| Operating cash flows before movements in working capital                 | <b>311,233,520</b>         | 243,359,418         |
| Increase in inventories  | <b>(87,348,012)</b>        | (32,311,161)        |
| Decrease (increase) in trade and other receivables                       | <b>16,413,782</b>          | (32,543,497)        |
| Decrease (increase) in amount due from<br>a jointly controlled entity    | <b>4,661,211</b>           | (1,457,412)         |
| Increase in trade and other payables                                     | <b>6,815,327</b>           | 38,238,731          |
| Increase (decrease) in bills payable                                     | <b>6,352,971</b>           | (7,795,068)         |
| Increase in warranty provision   | <b>2,533,800</b>           | 2,566,200           |
| Cash generated from operations   | <b>260,662,599</b>         | 210,057,211         |
| Overseas income tax paid   | <b>(12,367,226)</b>        | (6,005,337)         |
| Hong Kong Profits Tax paid   | <b>(51,503,875)</b>        | (1,847,411)         |
| Hong Kong Profits Tax refunded   | –                          | 328,422             |
| Overseas income tax refunded   | <b>128,141</b>             | 106,480             |
| <b>NET CASH GENERATED FROM<br/>OPERATING ACTIVITIES</b>                  | <b>196,919,639</b>         | 202,639,365         |
| <b>INVESTING ACTIVITIES</b>  |                            |                     |
| Purchases of property, plant and equipment                               | <b>(51,432,720)</b>        | (19,196,633)        |
| Capital injection to a jointly controlled entity                         | <b>(50,000)</b>            | –                   |
| Dividend received from a jointly controlled entity                       | <b>19,032,000</b>          | –                   |
| Dividends received from associates                                       | <b>5,893,771</b>           | 2,186,462           |
| Proceeds from disposal of property, plant and equipment                  | <b>2,628,601</b>           | 179,726             |
| Interest received  | <b>1,325,762</b>           | 1,430,910           |
| Acquisition of a subsidiary <span style="float: right;"><i>28</i></span> | –                          | (6,148,656)         |
| Repayment from a jointly controlled entity                               | –                          | 6,625,150           |
| Repayment from loan to an officer  | –                          | 450,000             |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>                             | <b>(22,602,586)</b>        | (14,473,041)        |

# C o n s o l i d a t e d   C a s h   F l o w   S t a t e m e n t

for the year ended December 31, 2003 (continued)

|  | 2003<br>HK\$         | 2002<br>HK\$  |
|--|----------------------|---------------|
| <b>FINANCING ACTIVITIES</b>  |                      |               |
| Dividends paid   | <b>(140,749,072)</b> | (78,808,980)  |
| Net cash outflow from trust receipt loans  | <b>(15,216,843)</b>  | (1,073,545)   |
| Repayment of bank loans  | <b>(10,825,500)</b>  | (13,332,000)  |
| Bank charges   | <b>(4,103,972)</b>   | (3,461,329)   |
| Repayment of obligations under finance leases  | <b>(3,490,868)</b>   | (2,640,526)   |
| Interest paid on bank borrowings   | <b>(300,660)</b>     | (4,085,547)   |
| Interest paid on finance leases  | <b>(235,291)</b>     | (251,127)     |
| Factoring charges  | <b>(234,827)</b>     | (219,461)     |
| Proceeds from issue of shares  | –                    | 504,000       |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>   | <b>(175,157,033)</b> | (103,368,515) |
| <b>NET (DECREASE) INCREASE IN CASH<br/>AND CASH EQUIVALENTS</b>  | <b>(839,980)</b>     | 84,797,809    |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING<br/>OF THE YEAR</b>  | <b>216,051,264</b>   | 130,941,274   |
| Effect of foreign exchange rate changes  | <b>1,997,898</b>     | 312,181       |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR,<br/>representing bank balances, deposits and cash</b> | <b>217,209,182</b>   | 216,051,264   |