

## Consolidated Cash Flow Statement *For the year ended 31 March 2004*

<i>Notes</i>	<b>2004</b> <b>HK\$'000</b>	2003 <i>HK\$'000</i>
OPERATING ACTIVITIES		
Profit from operations	<b>411,399</b>	284,943
Adjustments for:		
Dividend income	<b>(3,814)</b>	–
Interest income	<b>(8,611)</b>	(17,427)
Release of negative goodwill	–	(4,013)
Allowance for loan to a jointly controlled entity	<b>3,000</b>	–
Impairment loss recognised in respect of other investments	<b>1,591</b>	2,720
Impairment loss recognised in respect of goodwill attributable to a subsidiary	–	34
Depreciation and amortisation of property, plant and equipment	<b>93,959</b>	77,920
Unrealised gain on investments in securities	<b>(13,660)</b>	–
Loss on disposal of property, plant and equipment	<b>4,949</b>	2,290
Net realised (gain) loss on disposal of investments in securities	<b>(1,794)</b>	2,107
Operating cash flows before movements in working capital	<b>487,019</b>	348,574
Increase in inventories	<b>(140,075)</b>	(354,193)
Decrease (increase) in trade and other receivables	<b>75,623</b>	(169,153)
Increase in bills receivable	<b>(783,123)</b>	(521,758)
Increase in amount due from a jointly controlled entity	<b>(6,492)</b>	–
Increase in trade and other payables	<b>374,486</b>	424,724
Increase (decrease) in bills payable	<b>153,135</b>	(42,586)
Increase in amount due to a jointly controlled entity	<b>2,112</b>	–
Cash generated from (used in) operations	<b>162,685</b>	(314,392)
Hong Kong Profits Tax paid	<b>(69,387)</b>	(12,050)
PRC income tax paid	<b>(9,427)</b>	(2,872)
Other PRC taxes paid	<b>(11,282)</b>	(4,431)
<b>NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>	<b>72,589</b>	(333,745)
INVESTING ACTIVITIES		
Dividend received	<b>3,814</b>	–
Interest received	<b>8,672</b>	16,842
Purchase of property, plant and equipment	<b>(250,036)</b>	(177,171)
Proceeds on disposal of property, plant and equipment	<b>292</b>	64
Disposal of a subsidiary (net of cash and cash equivalents disposed of)	–	(937)
Transfer of business (net of cash and cash equivalents disposed of)	<b>(4,036)</b>	–
Acquisition of additional interest in a subsidiary	<b>(9,346)</b>	–
Investment in a jointly controlled entity	–	(2,805)
Purchase of investments in securities	<b>(20,591)</b>	(148,167)
Proceeds on disposal of investments in securities	<b>15,194</b>	247,478
Decrease in pledged deposits	–	33,247
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(256,037)</b>	(31,449)

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	<b>2004</b> <b>HK\$'000</b>	2003 HK\$'000
FINANCING ACTIVITIES		
Interest paid	<b>(1,006)</b>	(528)
Dividends paid	<b>(111,283)</b>	(73,357)
Dividend paid to minority shareholder	<b>(378)</b>	–
Issue of shares for cash	<b>27,169</b>	20,806
Repayment of mortgage loans	<b>(1,303)</b>	(1,263)
New short-term bank loan	<b>1,215</b>	–
Repayment of import loans	–	(4,994)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(85,586)</b>	(59,336)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(269,034)</b>	(424,530)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>713,789</b>	1,138,319
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>626</b>	–
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>445,381</b>	713,789
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	<b>445,381</b>	713,789