

# Consolidated Cash Flow Statement

For the year ended 31 March 2005  
(Expressed in Hong Kong dollars)

|  | Note | 2005           |                  | 2004      |          |
|--|------|----------------|------------------|-----------|----------|
|  |      | \$'000         | \$'000           | \$'000    | \$'000   |
| <b>Operating activities</b>  |      |                |                  |           |          |
| Profit from ordinary activities before taxation                                      |      | 166,791        |                  | 129,435   |          |
| Adjustments for:   |      |                |                  |           |          |
| – Depreciation of fixed assets   |      | 41,428         |                  | 33,762    |          |
| – Amortisation of permanent textile quota entitlements                               |      | –              |                  | 1,296     |          |
| – Interest income  |      | (8,715)        |                  | (622)     |          |
| – Interest expenses  |      | 19,589         |                  | 10,600    |          |
| – Interest element of finance lease rentals paid                                     |      | 867            |                  | 892       |          |
| <b>Operating profit before changes in working capital</b>                            |      | <b>219,960</b> |                  | 175,363   |          |
| Increase in inventories  |      | (31,391)       |                  | (15,292)  |          |
| Increase in trade and other receivables  |      | (59,339)       |                  | (108,416) |          |
| Increase in trade and other payables   |      | 2,704          |                  | 4,134     |          |
| <b>Cash generated from operations</b>  |      | <b>131,934</b> |                  | 55,789    |          |
| Tax paid   |      |                |                  |           |          |
| – Hong Kong Profits Tax paid   |      | (7,238)        |                  | (3,281)   |          |
| – Overseas tax paid  |      | (3,056)        |                  | (604)     |          |
| <b>Net cash from operating activities</b>  |      |                | <b>121,640</b>   |           | 51,904   |
| <b>Investing activities</b>  |      |                |                  |           |          |
| Withdrawal of pledged bank deposits  |      | 27,745         |                  | 44,220    |          |
| Payment for purchase of fixed assets   |      | (55,970)       |                  | (60,866)  |          |
| Payment for purchase of investment securities  |      | (26,000)       |                  | (15,000)  |          |
| Proceeds from sale of investment securities  |      | 300            |                  | –         |          |
| Payment of refundable acquisition deposit and other acquisition costs, net of refund |      | (459,464)      |                  | (58,804)  |          |
| Cash inflow from disposal of subsidiaries  |      | –              |                  | 1,550     |          |
| Interest received  |      | 8,715          |                  | 622       |          |
| <b>Net cash used in investing activities</b>   |      |                | <b>(504,674)</b> |           | (88,278) |

## Consolidated Cash Flow Statement (Cont'd)

For the year ended 31 March 2005  
(Expressed in Hong Kong dollars)

|   | Note | 2005     |                 | 2004     |         |
|---|------|----------|-----------------|----------|---------|
|   |      | \$'000   | \$'000          | \$'000   | \$'000  |
| <b>Financing activities</b>                                 |      |          |                 |          |         |
| Capital element of finance lease rentals paid               |      | (22,606) |                 | (14,077) |         |
| Net increase in trust receipt loans and export loans        |      | 55,726   |                 | 17,176   |         |
| Proceeds from new term loans                                |      | 90,000   |                 | 377,462  |         |
| Repayment of term loans                                     |      | (23,975) |                 | (31,774) |         |
| Interest element of finance lease rentals paid              |      | (867)    |                 | (892)    |         |
| Interest paid   |      | (14,431) |                 | (10,600) |         |
| Proceeds from shares issued under share option scheme       |      | 27,900   |                 | –        |         |
| Issue of shares for cash consideration                      |      | 6,236    |                 | 6,236    |         |
| Net proceeds from issue of convertible bonds                |      | 227,534  |                 | 30,009   |         |
| Dividends paid  |      | (46,679) |                 | (40,023) |         |
| <b>Net cash generated from financing activities</b>         |      |          | <b>298,838</b>  |          | 333,517 |
| <b>Net (decrease)/increase in cash and cash equivalents</b> |      |          | <b>(84,196)</b> |          | 297,143 |
| <b>Cash and cash equivalents at 1 April</b>                 |      |          | <b>363,611</b>  |          | 66,468  |
| <b>Cash and cash equivalents at 31 March</b>                | 18   |          | <b>279,415</b>  |          | 363,611 |

### Significant non-cash transactions:

During the year, the Group purchased fixed assets with value totalling \$19,836,000 (2004: \$28,562,000) under finance leases. During the year, convertible bonds totalling \$20,280,000 (2004: \$38,140,000) were converted into ordinary shares of the Company (Note 21).

The notes on pages 29 to 64 form part of these financial statements.