

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended March 31, 2003

|   | 2003<br>HK\$'000       | 2002<br>HK\$'000       |
|---|------------------------|------------------------|
| <b>OPERATING ACTIVITIES</b>   |                        |                        |
| Profit from operations  | 96,306                 | 81,535                 |
| Adjustments for:  |                        |                        |
| Interest income   | (1,845)                | (2,019)                |
| (Surplus) deficit arising on revaluation of land and buildings                          | (72)                   | 26                     |
| Depreciation and amortisation of property, plant and equipment                          | 25,260                 | 18,615                 |
| Loss (gain) on disposal of property, plant and equipment                                | 14                     | (113)                  |
| Negative goodwill arising on acquisition of additional interest in a subsidiary         | –                      | (15)                   |
| Operating cash flows before movements in working capital                                | <u>119,663</u>         | <u>98,029</u>          |
| Increase in inventories   | (12,366)               | (10,134)               |
| Increase in trade and other receivables   | (13,720)               | (5,833)                |
| Increase in trade and other payables  | <u>14,952</u>          | <u>21,838</u>          |
| Cash generated from operations  | 108,529                | 103,900                |
| Hong Kong Profits Tax paid  | (6,068)                | (3,956)                |
| Hong Kong Profits Tax refunded  | 558                    | –                      |
| Interest on bank borrowings   | (105)                  | (115)                  |
| Interest received   | <u>1,845</u>           | <u>2,019</u>           |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>   | <u><b>104,759</b></u>  | <u><b>101,848</b></u>  |
| <b>INVESTING ACTIVITIES</b>   |                        |                        |
| Purchase of property, plant and equipment   | (69,498)               | (43,223)               |
| Proceeds from disposals of property, plant and equipment                                | <u>493</u>             | <u>290</u>             |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>  | <u><b>(69,005)</b></u> | <u><b>(42,933)</b></u> |
| <b>FINANCING ACTIVITIES</b>   |                        |                        |
| Dividends paid  | (32,273)               | (21,320)               |
| Proceeds from issue of shares upon the exercise of share options                        | 842                    | –                      |
| Proceeds from issue of shares upon the exercise of warrants                             | 45,884                 | 3,002                  |
| Repayment of bank borrowings  | (2,282)                | (821)                  |
| Dividends paid to a minority shareholder of a subsidiary                                | –                      | (191)                  |
| <b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>                                     | <u><b>12,171</b></u>   | <u><b>(19,330)</b></u> |
| <b>INCREASE IN CASH AND CASH EQUIVALENTS</b>  | <b>47,925</b>          | <b>39,585</b>          |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>                                   | <u><b>108,803</b></u>  | <u><b>69,218</b></u>   |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR,</b><br>representing bank balances and cash | <u><b>156,728</b></u>  | <u><b>108,803</b></u>  |