

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2003

	NOTE	2003 HK\$'000	2002 HK\$'000
OPERATING ACTIVITIES			
Profit from operations		99,639	104,285
Adjustments for:			
Dividend income		(23)	(36)
Interest on bank deposits		(1,278)	(1,925)
Yield on held-to-maturity securities		(3,786)	(2,635)
Depreciation of property, plant and equipment		38,190	39,518
Allowance for doubtful trade receivables		5,000	503
Net realised (gain) loss on dealing securities		(17)	49
Net unrealised holding (gain) loss on dealing securities		(117)	555
Loss on disposal of property, plant and equipment		2,039	71
Decrease on revaluation of properties		127	538
Operating cash flows before movements in working capital		139,774	140,923
(Increase) decrease in inventories		(19,741)	12,009
Increase in trade and other receivables		(2,896)	(184)
(Increase) decrease in bills receivable		(26,344)	1,031
Decrease (increase) in deposits and prepayments		232	(1,093)
Decrease in trade and other payables		(10,410)	(3,526)
(Decrease) increase in deposits and accruals		(751)	3,348
Cash generated from operations		79,864	152,508
Income taxes paid		(15,135)	(7,696)
Interest paid		(9)	(48)
NET CASH FROM OPERATING ACTIVITIES		64,720	144,764
INVESTING ACTIVITIES			
Interest received on bank deposits		1,278	1,925
Interest received on held-to-maturity securities		4,170	2,846
Dividends received from listed securities		23	36
Purchase of property, plant and equipment		(56,531)	(40,717)
Redemption of held-to-maturity securities		—	10,000
Proceeds from disposal of property, plant and equipment		35,219	1,178
Proceeds from sales of dealing securities		30	199
(Increase) decrease in bank deposits not within three months of maturity		(7,020)	68,431
Purchase of held-to-maturity securities		(26,582)	(30,271)
Purchase of dealing securities		—	(143)
NET CASH (USED IN) FROM INVESTING ACTIVITIES		(49,413)	13,484
FINANCING ACTIVITIES			
Dividends paid		(73,586)	(55,272)
Issue of shares pursuant to exercise of share options		—	9,600
Repurchase of own shares	22	(2,027)	(781)
NET CASH USED IN FINANCING ACTIVITIES		(75,613)	(46,453)

CONSOLIDATED CASH FLOW STATEMENT (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER 2003

	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(60,306)	111,795
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>187,118</u>	<u>75,323</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u><u>126,812</u></u>	<u><u>187,118</u></u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank deposits and cash	142,412	195,698
Less: Bank deposits not within three months of maturity when acquired	<u>(15,600)</u>	<u>(8,580)</u>
	<u><u>126,812</u></u>	<u><u>187,118</u></u>