

## CONSOLIDATED CASH FLOW STATEMENT

*For the year ended 31 December 2003*

	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	39,960	45,950
Adjustments for:		
Depreciation	47,979	47,404
Interest charges	3,485	5,156
Loss on disposal of property, plant and equipment	695	3,201
(Surplus) deficit arising on revaluation of investment properties	(20)	2,330
Gain on disposal of trading securities	(517)	—
Unrealised holding (gain) loss on trading securities	(972)	887
Unrealised gain on forward contracts	(2,294)	—
Interest income	(461)	(434)
Dividend income from trading securities	(176)	(175)
Effect of foreign exchange rate changes on inter-company balances	(280)	—
	<hr/>	<hr/>
Operating cash flows before movements in working capital	87,399	104,319
(Increase) decrease in inventories	(22,831)	4,052
Increase in trade and other receivables	(65,555)	(16,539)
Increase in trade and other payables	30,220	5,125
	<hr/>	<hr/>
Cash generated from operations	29,233	96,957
Profit tax paid outside Hong Kong	(2,561)	(2,761)
Profit tax paid in Hong Kong	(61)	(61)
Profit tax refunded in Hong Kong	25	14
Interest received	461	434
	<hr/>	<hr/>
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>27,097</b>	<b>94,583</b>
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(62,354)	(97,799)
Deposits paid for acquisition of property, plant and equipment	(8,300)	(4,304)
Proceeds from disposal of trading securities	2,067	—
Proceeds from disposal of property, plant and equipment	451	8,836
Dividends received on trading securities	176	175
	<hr/>	<hr/>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(67,960)</b>	<b>(93,092)</b>
	<hr/>	<hr/>

## CONSOLIDATED CASH FLOW STATEMENT *(continued)*

For the year ended 31 December 2003

	<i>Note</i>	<b>2003</b> <b>HK\$'000</b>	2002 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Bank loans raised during the year		<b>90,199</b>	72,443
Repayment of bank loans		<b>(17,234)</b>	(71,601)
Dividends paid in cash		<b>(6,764)</b>	(6,764)
Interest paid		<b>(3,485)</b>	(5,188)
Net decrease in trust receipts and import loans		<b>(1,256)</b>	(145)
		<hr/>	<hr/>
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES		<b>61,460</b>	(11,255)
		<hr/>	<hr/>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		<b>20,597</b>	(9,764)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		<b>41,739</b>	51,057
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		<b>(267)</b>	446
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	25	<b>62,069</b>	41,739
		<hr/> <hr/>	<hr/> <hr/>