

PRO FORMA COMBINED CASH FLOW STATEMENT

Year ended 30 June 2003

	Notes	2003 HK\$'000	2002 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		78,955	49,003
Adjustments for:			
Finance costs	6	1,677	1,720
Interest income	5	(168)	(158)
Depreciation	5	9,230	5,872
Loss on disposal of a fixed asset	5	46	–
Provision for doubtful debts	5	37	165
Bad debts written off	5	–	340
Provision for inventory obsolescence	5	51	45
Operating profit before working capital changes		89,828	56,987
Increase in inventories		(3,578)	(5,050)
Increase in trade receivables		(4,346)	(16,530)
Increase in prepayments and other receivables		(1,994)	(232)
Increase in trade payables		6,802	2,392
Increase in accrued liabilities and other payables		77	4,117
Increase in an amount due to a related company		3,446	–
Cash generated from operations		90,235	41,684
Overseas tax paid		(10,001)	(5,417)
Net cash inflow from operating activities		80,234	36,267
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets	12	(38,487)	(45,066)
Proceed from disposal of a fixed asset		472	–
Interest received		168	158
Net cash outflow from investing activities		(37,847)	(44,908)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of share capital of a subsidiary		78	–
New bank loans		9,434	22,600
Repayments of bank loans		(4,340)	(27,694)
Advances from directors		9,703	7,191
Repayment to a director		(6,367)	(4,245)
Interest paid		(1,677)	(1,720)
Net cash inflow/(outflow) from financing activities		6,831	(3,868)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		17,204	29,713
CASH AND CASH EQUIVALENTS AT END OF YEAR		66,422	17,204
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		66,422	17,204