

Consolidated Cash Flow Statement

Sunway International Holdings Limited

Year ended 30 September 2003

	<i>Notes</i>	2003 HK\$'000	2002 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		21,937	33,789
Adjustments for:			
Depreciation	6	45,585	36,412
Gain on disposal of fixed assets	6	(19)	–
Interest income	6	(341)	(384)
Revaluation deficit on an investment property	6	90	172
Revaluation surplus on fixed assets, net	6	–	(2,870)
Finance costs	7	6,368	17,326
Provision/(write-back of provision) for doubtful debts	6	9,514	(10,663)
Write-off and provision for other receivables	6	1,768	–
Provision for inventories	6	–	34,955
Unrealised gain on revaluation of short term investments	6	(42)	–
Share of loss/(profit) of a jointly-controlled entity		(363)	2,932
		<hr/>	<hr/>
Operating profit before working capital changes		84,497	111,669
Increase in inventories		(21,837)	(13,724)
Decrease in accounts receivable		14,515	2,787
Decrease in prepayments, deposits and other receivables		6,916	35,275
Decrease/(increase) in amount due from a related company		984	(425)
Increase/(decrease) in accounts payable		15,041	(16,715)
Increase/(decrease) in accrued liabilities and other payables		704	(880)
		<hr/>	<hr/>
Cash generated from operations		100,820	117,987
Interest received		341	384
Interest paid		(6,353)	(7,739)
Interest element of finance lease rental payments		(15)	(26)
Premium on redemption of convertible bonds		–	(9,561)
Hong Kong profits tax refunded/(paid)		(790)	672
Overseas taxes paid		(1,982)	(1,023)
		<hr/>	<hr/>
Net cash inflow from operating activities		92,021	100,694

Consolidated Cash Flow Statement

Sunway International Holdings Limited

Year ended 30 September 2003

	Notes	2003 HK\$'000	2002 HK\$'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(8,103)	(14,897)
Proceeds from disposal of fixed assets		1,060	–
Additions to construction in progress		(8,915)	(10,141)
Purchases of short term investments		(7,800)	–
Advances to a jointly-controlled entity		(4,043)	–
Decrease in pledged time deposits		–	11,270
Net cash outflow from investing activities		<u>(27,801)</u>	<u>(13,768)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in trust receipt loans		1,238	2,217
Repurchase of shares		–	(1,264)
Redemption of convertible bonds		–	(56,555)
Capital element of finance lease rental payments		(102)	(89)
New bank loans		152,735	177,255
Repayment of bank loans		(211,254)	(144,137)
Dividend paid		(10,160)	–
Net cash outflow from financing activities		<u>(67,543)</u>	<u>(22,573)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		(3,323)	64,353
Cash and cash equivalents at beginning of year		135,057	71,306
Effect of foreign exchange rate changes, net		(686)	(602)
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		<u>131,048</u>	<u>135,057</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	127,961	103,577
Non-pledged time deposits with original maturity of less than three months when acquired	21	–	23,400
Time deposits with original maturity of less than three months when acquired, pledged as security for bank overdraft facilities	21	3,087	8,080
		<u>131,048</u>	<u>135,057</u>