

Consolidated Cash Flow Statement

Year ended 31 December 2003

HK\$'000	Notes	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		221,136	176,946
Adjustments for:			
Interest income	(5)	(3,453)	(295)
Interest expense	(7)	5,542	2,977
Depreciation	(6)	12,332	8,515
Amortisation of intangible assets	(6)	684	211
Amortisation of goodwill	(6)	2,986	–
Loss on disposal of fixed assets	(6)	574	311
Gain on disposal of a subsidiary	(5)	–	(364)
Impairment of fixed assets	(6)	–	1,203
Operating profit before working capital changes		239,801	189,504
Increase in inventories		(7,665)	(72,772)
Increase in trade receivables		(95,700)	(61,122)
(Increase)/decrease in notes receivables		21,489	(21,489)
Increase in other receivables		(11,123)	(15,978)
Increase/(decrease) in trade and bills payables		(36,544)	21,423
Increase in other payables and accruals		45,025	31,799
Increase in provision for product warranties		2,009	2,868
Decrease in an amount due to a director		–	(2,748)
Cash generated from operations		157,292	71,485
PRC income tax paid		(11,142)	(6,257)
Net cash inflow from operating activities		146,150	65,228
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets	(13)	(47,410)	(25,882)
Acquisition of intangible assets	(14)	(2,541)	(2,272)
Proceeds from disposal of fixed assets		2,743	45
Acquisition of subsidiaries	(30(b))	(6,240)	–
Increase in pledged time deposits	(20)	(115,456)	–
Disposal of a subsidiary	(30(c))	–	467
Interest received		3,453	295
Net cash outflow from investing activities		(165,451)	(27,347)

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Year ended 31 December 2003

HK\$'000	Notes	2003	2002
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	(27)	432,400	–
Share issue expenses	(27)	(36,741)	–
New bank loans		71,977	51,318
Repayment of bank loans		(51,318)	(18,832)
Capital element of finance lease rental payments		(387)	(405)
Interest paid		(5,493)	(2,915)
Interest element on finance lease rental payments		(49)	(62)
Dividend paid		(35,000)	(30,000)
Net cash inflow/(outflow) from financing activities		375,389	(896)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		115,202	77,749
Effect of foreign exchange rate changes, net		265	468
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		471,555	115,202