

Consolidated Cash Flow Statement

Year ended 31 December 2003

	<i>Notes</i>	Year ended 31 December 2003 HK\$'000	Nine months ended 31 December 2002 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		49,089	28,178
Adjustments for:			
Interest expenses	7	6,681	3,872
Interest income	6	(330)	(278)
Depreciation	6	15,905	9,678
Amortisation of goodwill	6	2,216	811
Impairment of goodwill	6	23	—
Gain on disposal of fixed assets	6	(94)	(3)
Loss on partial disposal of a subsidiary	6	—	148
Provision for bad and doubtful debts	6	2,268	412
Operating profit before working capital changes		75,758	42,818
Decrease/(increase) in inventories		8,690	(14,267)
Increase in trade and bills receivable		(9,444)	(14,706)
Decrease/(increase) in deposits, prepayments and other receivables		17,633	(7,251)
Increase/(decrease) in trade and bills payable		7,532	(4,094)
Decrease in other payables and accruals		(18,575)	(2,841)
Effect on foreign exchange rate changes, net		85	131
Cash generated/(used) in operations		81,679	(210)
Interest received		330	278
Tax paid in the PRC		(86)	(10)
Hong Kong profits tax paid		(3,223)	—
Net cash inflow from operating activities		78,700	58
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(20,746)	(9,754)
Proceeds from disposal of fixed assets		321	162
Acquisition of additional equity interest in subsidiaries		(10,580)	—
Acquisition of a subsidiary	30	23	(2,550)
Net cash outflow from investing activities		(30,982)	(12,142)

Consolidated Cash Flow Statement

Year ended 31 December 2003

	<i>Note</i>	Year ended 31 December 2003 HK\$'000	Nine months ended 31 December 2002 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		115,000	47,910
Repayment of bank loans		(71,563)	(32,222)
Loan from related companies		—	2,500
Interest paid		(6,648)	(3,810)
Dividends paid		(26,292)	(43,770)
Dividends paid to minority shareholders		(4,454)	—
Interest element of finance lease		(33)	(62)
Capital element of finance lease		(1,157)	(944)
Capital contribution from minority interests		2,730	1,913
Net cash inflow/(outflow) from financing activities		7,583	(28,485)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year/period		38,536	78,997
Effect of foreign exchange rate changes, net		—	108
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		93,837	38,536
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		93,837	44,715
Bank overdrafts	24	—	(6,179)
		93,837	38,536