

Proforma Combined Cash Flow Statement

For the year ended 31 December 2003

	2003	2002
	HK\$'000	HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from operations	55,418	42,966
Adjustments for:		
Depreciation	7,753	4,387
Loss on disposals of fixed assets	216	42
Interest income	(59)	(45)
Bad debts written off	116	–
Reduction in provision for doubtful debts	(141)	–
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Operating profit before working capital changes	63,303	47,350
Increase in pledged bank deposits	(5,489)	(20,347)
Increase in inventories	(9,665)	(19,380)
Increase in trade and other receivables	(63,660)	(7,851)
Decrease in prepayments and deposits	12,016	15,922
Decrease in amount due to a director	(6,906)	(574)
Decrease in amount due from a related company	–	2,138
Increase in trade and other payables	24,428	9,586
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Cash from operating activities	14,027	26,844
Interest paid	(7,109)	(5,709)
Finance lease charges	(1,667)	(703)
PRC enterprise income tax paid	(4,065)	(1,343)
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Net cash from operating activities	1,186	19,089

The notes on pages 48 to 78 form an integral part of these proforma financial information.

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For the year ended 31 December 2003

	2003 HK\$'000	2002 HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(15,264)	(13,237)
Dividend received from an associated company	32,089	36,587
Dividend paid	(46,130)	(43,936)
Proceeds from disposals of fixed assets	1,078	459
Interest received	59	45
Net cash used in investing activities	(28,168)	(20,082)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term bank loans raised, net	42,319	8,114
Payment of finance lease capital element	(11,128)	(9,584)
Net cash from/(used in) financing activities	31,191	(1,470)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
Exchange differences arising on combination	(120)	(304)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	2,540	5,307
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	6,629	2,540
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	11,136	4,401
Bank overdrafts	(4,507)	(1,861)
	6,629	2,540

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