

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2003

| | Notes | 2003 HK\$'000 | 2002 HK\$'000 (Restated) |
|---|-------|------------------|--------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before tax | | 53,643 | 49,062 |
| Adjustments for: | | | |
| Share of loss of an associate | | 635 | — |
| Depreciation | 6 | 7,904 | 3,821 |
| Amortisation of intangible assets | 6 | 8,799 | 1,722 |
| Amortisation of goodwill | 6 | 366 | — |
| Provision for bad and doubtful debts | 6 | 9,797 | 703 |
| Loss on deemed partial disposal and partial disposal of equity interest in a subsidiary | 6 | — | 691 |
| Loss on disposal of fixed assets | 6 | 790 | 61 |
| Gain on disposal of intangible assets | 6 | (1,508) | — |
| Gain on disposal of subsidiaries | 6 | (1,897) | — |
| Gain on partial disposal of a subsidiary | 6 | (16,373) | — |
| Interest income | 6 | (1,231) | (752) |
| Finance costs | 7 | 3,078 | 2,530 |
| Operating profit before working capital changes | | 64,003 | 57,838 |
| Decrease in inventories | | 143 | 898 |
| Increase in accounts receivable | | (28,926) | (34,234) |
| Increase in prepayments, deposits and other receivables | | (11,041) | (6,849) |
| Increase/(decrease) in accounts and bills payable, and accrued liabilities and other payables | | (5,980) | 4,773 |
| Cash generated from operations | | 18,199 | 22,426 |
| Interest received | | 587 | 752 |
| Interest paid | | (3,078) | (2,530) |
| Hong Kong profits tax paid | | (323) | (240) |
| Overseas taxes paid | | (2,583) | (2,896) |
| Net cash inflow from operating activities | | 12,802 | 17,512 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchases of fixed assets | 12 | (6,651) | (30,237) |
| Proceeds from disposal of fixed assets | | 95 | — |
| Proceeds from disposal of intangible assets | | 1,766 | — |
| Increase in pledged bank deposits | | (4,655) | (4,815) |
| Acquisition of subsidiaries | 31(b) | 16,530 | (30,000) |
| Proceeds from disposal of subsidiaries | 31(c) | 12,243 | — |
| Proceeds from partial disposal of a subsidiary | 15 | 20,000 | 453 |
| Repayment of amount due from a related company | | 8,796 | — |
| Increase in deposits paid | | (26,755) | — |
| Net cash inflow/(outflow) from investing activities | | 21,369 | (64,599) |

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2003

| | Notes | 2003 HK\$'000 | 2002 HK\$'000 (Restated) |
|--|-------|------------------|--------------------------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Decrease in trust receipt loans | | (544) | (612) |
| New bank loans | | 31,605 | 41,509 |
| Repayment of bank loans | | (9,434) | (16,037) |
| Repayment of promissory notes | | (67,500) | — |
| Repayment of amounts due to ex-minority equity holders | | (10,301) | — |
| Dividends paid to minority equity holders | | (5,534) | — |
| Contributions from minority equity holders | | — | 4,434 |
| Proceeds from issue of new shares | 28 | 54,000 | 30,000 |
| Share issue expenses | 28 | (1,542) | (1,662) |
| Net cash inflow/(outflow) from financing activities | | (9,250) | 57,632 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | | |
| Cash and cash equivalents at beginning of year | | 33,326 | 22,781 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | | | |
| | | 58,247 | 33,326 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | | |
| Cash and bank balances | 23 | 56,045 | 29,728 |
| Time deposits with original maturity of less than three months when acquired, pledged as security for bank overdraft facilities | | 9,275 | 16,797 |
| Bank overdrafts | 26 | (7,073) | (13,199) |
| | | 58,247 | 33,326 |

Extrawell Pharmaceutical Holdings Limited
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