

# CONSOLIDATED CASH FLOW STATEMENT

Year ended 30 June 2003

	Notes	2003 HK\$'000	2002 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>106,219</b>	92,022
Adjustments for:			
Depreciation	7	<b>3,790</b>	2,153
Amortisation of intangible assets	7	<b>874</b>	777
Loss on write off/disposal of fixed assets	7	<b>28</b>	204
Interest income	7	<b>(928)</b>	(1,432)
Finance costs	8	<b>3,563</b>	2,842
Operating profit before working capital changes		<b>113,546</b>	96,566
Decrease/(increase) in inventories		<b>(4,089)</b>	2,668
Increase in accounts receivable		<b>(18,044)</b>	(15,711)
Increase in prepayments, deposits and other receivables		<b>(17,337)</b>	(624)
Increase/(decrease) in accounts payable		<b>2,774</b>	(1,504)
Decrease in an amount due to a shareholder		<b>(1,382)</b>	—
Increase/(decrease) in accrued liabilities and other payables		<b>(5,607)</b>	1,604
Cash generated from operations		<b>69,861</b>	82,999
Interest received		<b>928</b>	1,432
Interest paid		<b>(3,538)</b>	(2,799)
Interest element on finance lease rental payments		<b>(25)</b>	(43)
Overseas taxes paid		<b>(26,168)</b>	(15,888)
Net cash inflow from operating activities		<b>41,058</b>	65,701
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed assets	14	<b>(2,334)</b>	(14,646)
Acquisition of intangible assets		<b>(5,029)</b>	—
Acquisition of subsidiaries	31(a)	<b>(15,003)</b>	—
Acquisition of additional equity interest in a subsidiary	33(a)	<b>(9,800)</b>	—
Increase in long term deposits		<b>(9,303)</b>	(1,079)
Deposits for potential investments	22	<b>(32,710)</b>	—
Advance to a related company		—	(51,142)
Proceeds from disposal of fixed assets		—	76
Net cash outflow from investing activities		<b>(74,179)</b>	(66,791)

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# CONSOLIDATED CASH FLOW STATEMENT (cont'd)

Year ended 30 June 2003

	Notes	2003 HK\$'000	2002 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares on public listing	28(f)	<b>76,538</b>	—
Share issue expenses		<b>(21,761)</b>	—
Contribution from a minority equity holder of a subsidiary		<b>752</b>	—
New bank loans		<b>45,979</b>	29,476
Repayment of bank loans		<b>(22,800)</b>	(19,477)
Capital element of finance lease rental payments		<b>(220)</b>	(205)
Net cash inflow from financing activities		<b>78,488</b>	9,794
INCREASE IN CASH AND CASH EQUIVALENTS		<b>45,367</b>	8,704
Cash and cash equivalents at beginning of year		<b>59,652</b>	50,948
CASH AND CASH EQUIVALENTS AT END OF YEAR		<b>105,019</b>	59,652
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	23	<b>105,019</b>	59,652