

## 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 taxation and minority interests		235,509	174,957
Adjustments for			
Share of result of a jointly-controlled entity		–	131
Depreciation		20,817	14,587
Interest income		(4,513)	(2,767)
Interest expense		2,636	520
Waive of debts payable to a supplier		(3,877)	–
Provision for doubtful debts		670	1,063
Loss on written off of fixed assets		60	237
Provision for impairment of a jointly controlled entity		–	534
Amortisation of goodwill and intangible assets		9,558	3,210
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>260,860</b>	192,472
Increase in inventories		(16,158)	(35,703)
Decrease/(increase) in accounts receivable		992	(99,418)
(Increase)/decrease in prepayments, deposits and other receivables		(36,071)	14,302
Increase in deposits for land use right and construction in progress		(96,284)	–
(Decrease)/increase in accounts payable		(16,296)	46,308
Decrease in accrued liabilities, deposits received and other payables		(15,667)	(36)
(Decrease)/increase in amount due to a related company		(524)	4,127
(Decrease)/increase in amount due to directors		(546)	546
<b>CASH GENERATED FROM OPERATIONS</b>		<b>80,306</b>	122,598
Overseas taxation paid		(56,014)	(25,662)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		<b>24,292</b>	96,936
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets		(3,693)	(16,719)
Proceeds from disposal of fixed assets		274	–
Interest received		4,513	2,767
Loan advance to a jointly-controlled entity		–	(534)
Loans to officers		(508)	–
Acquisition of subsidiaries	28(b)	(66,021)	–
Addition of intangible assets		–	(5,673)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(65,435)</b>	(20,159)

## CONSOLIDATED CASH FLOW STATEMENT

Year ended 30 June 2003

	<i>Notes</i>	<b>2003</b> <i>HK\$'000</i>	2002 <i>HK\$'000</i>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		<b>(1,448)</b>	(105)
Dividend paid		<b>(22,902)</b>	(14,297)
Capital contribution from a minority shareholder	<i>28(a)</i>	<b>3,931</b>	–
Bank loans raised	<i>28(a)</i>	<b>265,200</b>	–
Repayment of bank loans	<i>28(a)</i>	<b>(24,924)</b>	–
Proceeds from conversion of redeemable convertible bonds		–	93,546
Proceeds from issue of shares for cash consideration	<i>28(a)</i>	<b>10</b>	204,215
Share issue expenses		–	(2,364)
Expenses for redeemable convertible bonds		–	(10,794)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>219,867</b>	270,201
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>178,724</b>	346,978
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>465,483</b>	117,559
<b>EFFECT ON FOREIGN EXCHANGE RATE CHANGES</b>		–	946
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>644,207</b>	465,483
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		<b>644,207</b>	465,483

The notes on pages 31 to 63 form an integral part of these financial statements.