

## CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>43,548</b>	77,883
Adjustments for:			
Finance costs	7	<b>61</b>	1
Interest income	5	<b>(773)</b>	(1,881)
Gain on redemption of a short term investment	5	<b>–</b>	(2,229)
Gain on disposal of short term listed investment	5	<b>(1,878)</b>	–
Depreciation	6	<b>17,015</b>	11,032
Amortisation of goodwill	6	<b>2,968</b>	338
Provision for impairment in value of short term investment	6	<b>–</b>	1,102
Provision for impairment in value of golf club membership	6	<b>–</b>	160
Loss on disposal of fixed assets	6	<b>1,180</b>	–
Loss on write off of fixed assets	6	<b>–</b>	1,883
Loss on disposal of long term investment	6	<b>–</b>	376
Unrealised holding losses on short term investments	6	<b>–</b>	620
Deficit on revaluation of leasehold land and buildings	6	<b>35</b>	8
Unrealised foreign exchange gain		<b>–</b>	(1,718)
Operating profit before working capital changes		<b>62,156</b>	87,575
Purchases/(disposal) of short term investments		<b>2,234</b>	(3,522)
Redemption of a short term investment		<b>–</b>	24,001
Increase in inventories		<b>(14,375)</b>	(11,612)
Decrease/(increase) in trade receivables		<b>24,775</b>	(67,997)
Decrease/(increase) in prepayments, deposits and other receivables		<b>6,633</b>	(6,442)
Increase in trade payables		<b>17,077</b>	16,025
Increase/(decrease) in accruals and other liabilities		<b>(5,676)</b>	9,611
Increase/(decrease) in an amount due to a related company		<b>542</b>	(3,373)
Cash generated from operations		<b>93,366</b>	44,266
Interest received		<b>773</b>	1,881
Interest paid		<b>(61)</b>	(1)
Dividends paid		<b>(29,430)</b>	(38,430)
Mainland China corporate income tax paid		<b>(943)</b>	(222)
Net cash inflow from operating activities		<b>63,705</b>	7,494

## CONSOLIDATED CASH FLOW STATEMENT (Cont'd)

Year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed assets	14	(74,447)	(77,324)
Acquisition of subsidiaries	26	(7,320)	(8,584)
Movements in time deposits		9,623	9,874
Movements in pledged time deposits		(663)	–
Proceeds from disposal of fixed assets		–	157
Proceeds from disposal of long term investments		–	805
Repayment of loan receivable		–	6,261
Net cash outflow from investing activities		(72,807)	(68,811)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares	24	–	31,185
Share issue expenses	24	–	(774)
Capital contribution from minority shareholders of a subsidiary		–	649
Net cash inflow from financing activities		–	31,060
NET DECREASE IN CASH AND CASH EQUIVALENTS		(9,102)	(30,257)
Cash and cash equivalents at beginning of year		90,765	119,177
Effect of foreign exchange rate changes, net		108	1,845
CASH AND CASH EQUIVALENTS AT END OF YEAR		81,771	90,765
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	20	80,604	90,765
Non-pledged time deposits with original maturity of less than three months when acquired	20	1,167	–
		81,771	90,765