

## CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2002

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	Notes	2002 HK\$'000	2001 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		24,334	34,803
Adjustments for:			
Finance costs	8	4,467	4,054
Depreciation	6	10,277	7,240
Share of profit of an associate		(2,127)	(240)
Interest income	6	(132)	(1,676)
Loss on disposal of fixed assets	6	–	280
Gain on disposal of a subsidiary	27(a)	(2,190)	–
Write off of goodwill on acquisition of a subsidiary	6	–	76
Deficit on revaluation of leasehold land and buildings	6	144	150
Deficit on revaluation of investment properties	6	55	–
Amortisation of prepaid rental	6	13	–
Provisions for bad and doubtful debts	6	–	584
Reversal of provisions for bad and doubtful debts		–	(890)
Operating profit before working capital changes		34,841	44,381
Increase in inventories		(16,029)	(7,393)
Increase in trade and bills receivables		(13,154)	(3,959)
Decrease/(increase) in prepayments, deposits and other receivables		(1,006)	21,842
Decrease/(increase) in amount due from an associate		935	(282)
Increase in trade and bills payables		19,474	6,837
Increase in accrued liabilities and other payables		3,876	5,970
Cash generated from operations		28,937	67,396
Interest paid		(4,467)	(4,054)
Hong Kong profits tax paid		–	(3)
Overseas taxes paid		(775)	(399)
Net cash from operating activities		23,695	62,940

# CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2002

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	Notes	2002 HK\$'000	2001 HK\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		132	1,676
Purchases of fixed assets	13	(54,306)	(37,196)
Proceeds from disposal of fixed assets		758	–
Increase in prepaid rental		(3,510)	–
Increase in long term deposits		(4,783)	–
Disposal of a subsidiary	27(a)	(34)	–
Acquisition of a subsidiary	27(b)	–	(2,717)
Increase in pledged bank deposits		(2,745)	–
<b>Net cash used in investing activities</b>		<b>(64,488)</b>	<b>(38,237)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from exercise of share options		–	1,600
New bank loans		70,404	45,381
Repayment of bank loans		(55,329)	(47,383)
Increase in trust receipt loans		1,518	–
Repayment of advance from a minority shareholder		(3,671)	(18,560)
Capital contribution from a minority shareholder		–	3,879
Dividends paid		–	(24,160)
<b>Net cash from/(used in) financing activities</b>		<b>12,922</b>	<b>(39,243)</b>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(27,871)</b>	<b>(14,540)</b>
Cash and cash equivalents at beginning of year		62,396	76,936
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>34,525</b>	<b>62,396</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	20	33,705	41,159
Time deposits with original maturities within three months	20	820	21,237
		<b>34,525</b>	<b>62,396</b>