

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2002

	2002 HK\$'000	2001 HK\$'000 (Restated)
OPERATING ACTIVITIES		
Profit before taxation	75,871	140,287
Adjustments for:		
Interest expenses	7,237	5,539
Interest income	(2,600)	(3,767)
Depreciation	770	759
(Gain) loss on disposal of plant and equipment	(3)	67
Operating cash flows before movements in working capital	81,275	142,885
Increase in inventories	(379,594)	(121,323)
(Increase) decrease in trade receivables, prepayments and deposits	(96,730)	24,338
Increase (decrease) in trade payables and accrued expenses	213,521	(131,404)
Decrease in amount due to a related company	-	(19)
Cash used in operations	(181,528)	(85,523)
Hong Kong profits tax paid	(28,688)	(21,797)
Interest paid	(7,237)	(5,539)
NET CASH USED IN OPERATING ACTIVITIES	(217,453)	(112,859)
INVESTING ACTIVITIES		
Proceeds on disposal of plant and equipment	31	268
Purchase of plant and equipment	(1,161)	(2,660)
Interest received	2,600	3,767
Repayment from a director	-	6,909
Increase in pledged bank deposits	(60,257)	(39,418)
NET CASH USED IN INVESTING ACTIVITIES	(58,787)	(31,134)
FINANCING ACTIVITIES		
Dividends paid	(43,200)	(60,000)
Proceeds from new issue of shares less issue expenses	-	181,357
Net increase in bank borrowings	333,838	90,792
NET CASH GENERATED FROM FINANCING ACTIVITIES	290,638	212,149
NET INCREASE IN CASH AND CASH EQUIVALENTS	14,398	68,156
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	107,406	39,250
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	121,804	107,406
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as previously reported	-	16,614
Effect of reclassification of short-term bank borrowings	-	90,792
Cash and cash equivalents as restated	-	107,406
Being:		
Bank balances and cash	122,036	107,500
Bank overdrafts	(232)	(94)
	121,804	107,406