

| | 2002 HK\$'000 | 2001 HK\$'000 |
|--|------------------|------------------|
| Operating activities | | |
| Profit from operations | 41,252 | 33,520 |
| Interest income | (258) | (616) |
| Unrealised loss on investment in securities | 20 | 12 |
| Depreciation and amortisation of property, plant and equipment | 1,268 | 1,025 |
| Amortisation of goodwill | 659 | 277 |
| Release of negative goodwill | (58) | — |
| Gain on disposal of property, plant and equipment | (12) | — |
| Loss on dilution of interest in subsidiaries | — | 357 |
| Operating cash flows before movements in working capital | 42,871 | 34,575 |
| (Increase) decrease in inventories | (9,102) | 3,337 |
| Increase in debtors, deposits and prepayments | (74,065) | (13,183) |
| Decrease (increase) in bills receivables | 2,387 | (1,720) |
| Increase in creditors and accrued charges | 11,259 | 12,434 |
| Increase (decrease) in bills payables | 1,168 | (2,212) |
| Cash (used) generated by operations | (25,482) | 33,231 |
| Income taxes paid | (4,021) | (6,023) |
| Interest paid | (3,040) | (1,500) |
| Net cash (outflow) inflow from operating activities | (32,543) | 25,708 |
| Investing activities | | |
| Interest received | 258 | 616 |
| Proceeds on maturity of investment in securities | 55 | — |
| Purchase of investment in securities | (1,950) | (1,107) |
| Proceeds on disposal of property, plant and equipment | 12 | — |
| Purchase of investment properties | (14) | — |
| Purchases of property, plant and equipment | (1,186) | (2,349) |
| Acquisition of additional interests in subsidiaries | (7,405) | — |
| Increase in pledged bank deposits | (12,890) | (984) |
| Decrease (increase) in amounts due from related companies | 33,807 | (15,208) |
| Net cash generated (used) in investing activities | 10,687 | (19,032) |

Consolidated Cash Flow Statements

for the year ended 31 December 2002

| | 2002 HK\$'000 | 2001 HK\$'000 |
|---|------------------|------------------|
| Financing | | |
| Issue of shares in subsidiaries | 5 | 500 |
| New bank loans raised | 3,346 | — |
| Repayment of bank loans | (475) | — |
| Repayment of obligations under a finance lease | (21) | — |
| Capital contributed by minority shareholders | — | 95 |
| Repayments of advances to minority shareholders | 41 | 91 |
| Dividends paid | (5,940) | (17,963) |
| Dividends paid to minority shareholders | (860) | (2,137) |
| Decrease in amounts due to related companies | — | (791) |
| Increase in trust receipt loans | 36,290 | 14,179 |
| Net cash generated (used) in financing | 32,386 | (6,026) |
| Net increase in cash and cash equivalents | 10,530 | 650 |
| Cash and cash equivalents at 1 January | 15,796 | 15,134 |
| Effect of change in foreign exchange rate | 2 | 12 |
| Cash and cash equivalents at 31 December | 26,328 | 15,796 |
| ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS | | |
| Bank balances and cash | 26,328 | 15,798 |
| Bank overdrafts | — | (2) |
| | 26,328 | 15,796 |