

CONSOLIDATED CASH FLOW STATEMENT

	For the year ended 31 December 2002	
	2002	2001
	HK\$'000	HK\$'000
OPERATING ACTIVITIES		
Profit from operations	30,804	36,961
Adjustments for:		
Depreciation and amortisation of property, plant and equipment	3,024	1,547
Loss on disposal of property, plant and equipment	–	39
Interest income	(340)	(542)
Operating cash flows before movements in working capital	33,488	38,005
(Increase)/decrease in inventories	(18,224)	4,137
(Increase)/decrease in trade and other receivables	(40,240)	29,755
Increase in deposits and prepayments	(9,888)	(3,021)
Increase in trade and other payables	57,209	5,165
Increase in deposits and accrued expenses	163	996
Increase in amounts due to companies owned by a former director	1,883	–
Cash generated from operations	24,391	75,037
PRC enterprise income tax paid	–	(488)
Interest paid	(596)	(199)
NET CASH FROM OPERATING ACTIVITIES	23,795	74,350
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(69,842)	(18,268)
Deposit paid for acquisition of an investment	(23,391)	–
Advance to a former director	(698)	–
Repayment from a related company	5,173	–
Interest received	340	542
Advance to a related company	–	(5,173)
Repayment from a former shareholder	–	23,818
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(88,418)	919
FINANCING ACTIVITIES		
Issue of shares	79,800	–
Share issue expenses	(13,979)	–
Dividends paid	(6,720)	(75,000)
Repayments of unsecured bank borrowings	(6,443)	–
Repayment to a director	(3,751)	–
Repayment to a former shareholder	(2,783)	–
Increase in pledged bank deposits	(288)	–
New unsecured bank borrowings raised	–	6,443
Advance from a director	–	3,751
Advance from a former shareholder	–	2,783
NET CASH FROM (USED IN) FINANCING ACTIVITIES	45,836	(62,023)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(18,787)	13,246
CASH AND CASH EQUIVALENTS AT 1 JANUARY	39,240	26,272
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	267	(278)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	20,720	39,240
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	20,720	39,240