

# Consolidated Cash Flow Statement

For The Year Ended 31st December, 2003

	2003 HK\$'000	2002 HK\$'000
<b>Operating activities</b>		
Profit from operations	65,623	46,237
Adjustments for:		
Depreciation and amortisation	12,239	11,679
Interest income	(439)	(552)
Loss on disposal of property, plant and equipment	165	–
Unrealised (gain) loss on investments in securities	(451)	112
Operating cash flows before movements in working capital	77,137	57,476
Increase in inventories	(13,761)	(166)
Increase in trade and other receivables	(28,958)	(9,845)
(Increase) decrease in deposits and prepayments	(23,060)	1,636
Decrease (increase) in amounts due from related companies	5,709	(5,250)
Increase in trade and other payables	30,169	2,606
Cash generated from operations	47,236	46,457
Income taxes paid	(1,423)	(205)
Income tax refunded	1	–
<b>Net cash from operating activities</b>	<b>45,814</b>	<b>46,252</b>
<b>Investing activities</b>		
Purchases of property, plant and equipment	(19,717)	(13,954)
(Increase) decrease in pledged bank deposits	(3,004)	5,468
Decrease (increase) in prepayments under processing arrangement	765	(8,142)
Interest received	439	552
Proceeds on disposal of property, plant and equipment	191	14,287
Purchases of investments in securities	–	(6,989)
Investment in equity-linked deposit	–	(2,002)
<b>Net cash used in investing activities</b>	<b>(21,326)</b>	<b>(10,780)</b>
<b>Financing activities</b>		
Proceeds on issue of shares	104,546	–
New bank loans raised	43,000	10,000
Shares issued by a subsidiary to its then shareholders prior to the Group Reorganisation	1	–
(Decrease) increase in trust receipt loans	(57,007)	22,841
Dividends paid	(30,000)	(30,000)
Shares issue expenses	(13,029)	–
Repayment of bank loans	(11,586)	(15,022)
Repayment of obligations under finance leases	(4,797)	(5,066)
Interest paid	(3,098)	(4,380)
Finance charges on obligations under finance leases paid	(384)	(301)
Bank charges paid	(691)	(680)
<b>Net cash from (used in) financing activities</b>	<b>26,955</b>	<b>(22,608)</b>
<b>Net increase in cash and cash equivalents</b>	<b>51,443</b>	<b>12,864</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>27,856</b>	<b>14,992</b>
<b>Cash and cash equivalents at end of the year</b>	<b>79,299</b>	<b>27,856</b>
<b>Analysis of the balances of cash and cash equivalents</b>		
Bank balances and cash	79,947	27,856
Bank overdraft	(648)	–
	<b>79,299</b>	<b>27,856</b>