

# Consolidated Cash Flow Statement

As at 30 June 2004

	Note	2004 HK\$'000	2003 HK\$'000
<b>Cash flows from operating activities</b>			
Profit before taxation		23,131	6,146
Adjustments for:			
Interest income		(1,019)	(426)
Dividend income from listed investments		(121)	(25)
Depreciation of fixed assets		3,982	3,275
Amortisation of intangible assets		725	911
Loss on disposal of fixed assets		754	91
Operating profit before working capital changes		27,452	9,972
(Increase)/Decrease in inventories		(6,399)	3,902
(Increase)/Decrease in trade receivables		(159)	5,589
Increase in deposits, prepayments and other receivables		(7,867)	(6,087)
Decrease/(Increase) in short term investments		1,814	(4,238)
Increase/(Decrease) in trade payables		10,069	(2,189)
(Decrease)/Increase in accrued liabilities and other payables		(5,695)	392
Increase in deposits received		503	132
Cash generated from operations		19,718	7,473
PRC corporate income taxes paid		(1,836)	(111)
Net cash generated from operating activities		17,882	7,362
<b>Cash flows from investing activities</b>			
Purchase of fixed assets		(6,603)	(6,379)
Proceeds from disposal of fixed assets		2,071	356
Additions to intangible assets		(3,234)	(984)
Acquisition of subsidiaries	29	(2,614)	—
Capital contribution to a jointly controlled entity		(640)	—
Interest received		823	426
Dividends received from listed investments		121	25
Net cash used in investing activities		(10,076)	(6,556)
<b>Cash flows from financing activities</b>			
Payment for repurchase of shares		—	(294)
Exercise of share options		3,624	—
Repayment of bank loans		—	(1,673)
Dividend paid		(4,789)	(6,663)
Net cash used in financing activities		(1,165)	(8,630)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>6,641</b>	<b>(7,824)</b>
<b>Cash and cash equivalents at 1 July</b>		<b>42,144</b>	<b>49,968</b>
<b>Effect of foreign exchange rate changes</b>		<b>(14)</b>	<b>—</b>
<b>Cash and cash equivalents at 30 June</b>		<b>48,771</b>	<b>42,144</b>
<b>Analysis of balances of cash and cash equivalents</b>			
Cash at banks and in hand		48,771	42,144