

Year ended 31 December 2002

|   | NOTES | 2002<br>HK\$'000 | 2001<br>HK\$'000<br>(Restated) |
|---|-------|------------------|--------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                           |       |                  |                                |
| Profit from operating activities before tax                           |       | <b>60,330</b>    | 56,634                         |
| Adjustments for:  |       |                  |                                |
| Interest income   | 8     | <b>(255)</b>     | (132)                          |
| Depreciation  | 8     | <b>1,503</b>     | 1,453                          |
| Amortisation of deferred development costs                            | 8     | <b>3,677</b>     | 2,548                          |
| Amortisation of goodwill  | 8     | <b>53</b>        | 26                             |
| Operating profit before working capital changes                       |       | <b>65,308</b>    | 60,529                         |
| Decrease/(increase) in prepayments, deposits<br>and other receivables |       | <b>(589)</b>     | 3,570                          |
| Decrease/(increase) in contract work in progress                      |       | <b>402</b>       | (4,920)                        |
| Increase in inventories   |       | <b>(2,540)</b>   | (116)                          |
| Increase in trade receivables   |       | <b>(446)</b>     | (7,023)                        |
| Increase in trade payables  |       | <b>2,376</b>     | 2,206                          |
| Decrease in other payables and accruals                               |       | <b>(3,507)</b>   | (1,328)                        |
| Cash generated from operations  |       | <b>61,004</b>    | 52,918                         |
| Interest received   |       | <b>255</b>       | 132                            |
| Net cash inflow from operating activities                             |       | <b>61,259</b>    | 53,050                         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                           |       |                  |                                |
| Purchases of fixed assets   | 15    | <b>(195)</b>     | (2,354)                        |
| Deposits for purchases of fixed assets                                | 17    | <b>(17,608)</b>  | –                              |
| Additions to deferred development costs                               | 16    | <b>(34,291)</b>  | (10,894)                       |
| Acquisition of a subsidiary   | 29(b) | <b>–</b>         | (1,455)                        |
| Net cash outflow from investing activities                            |       | <b>(52,094)</b>  | (14,703)                       |

|  | NOTES | <b>2002</b><br><b>HK\$'000</b> | 2001<br>HK\$'000<br>(Restated) |
|--|-------|--------------------------------|--------------------------------|
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                  |       |                                |                                |
| Proceeds from issue of share capital   | 26    | <b>75,750</b>                  | –                              |
| Share issue expenses   | 26    | <b>(18,282)</b>                | –                              |
| Dividends paid   |       | –                              | (30,000)                       |
| <b>Net cash inflow from financing activities</b>                             |       | <b>57,468</b>                  | (30,000)                       |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                             |       |                                |                                |
| Cash and cash equivalents at beginning of year                               |       | <b>9,721</b>                   | 1,374                          |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                              |       |                                |                                |
| <b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>                     |       |                                |                                |
| Cash and bank balances   | 23    | <b>55,254</b>                  | 9,721                          |
| Time deposits with original maturity of less than three months when acquired | 23    | <b>21,100</b>                  | –                              |
|  |       | <b>76,354</b>                  | 9,721                          |