

Consolidated Cash Flow Statement

For the year ended 31 December 2003

	NOTES	2003 HK\$'000	2002 HK\$'000
OPERATING ACTIVITIES			
Profit from operations		20,328	12,445
Adjustments for:			
Interest income		(46)	(82)
Depreciation of property, plant and equipment		19,776	14,324
Loss on disposal of property, plant and equipment		15	342
Allowance for bad and doubtful debts, net		708	436
Operating cash flows before movements in working capital		40,781	27,465
Increase in inventories		(4,358)	(12,435)
Increase in trade and other receivables		(3,530)	(13,583)
Decrease in amount due from a fellow subsidiary		318	51,704
(Decrease) increase in trade and other payables		(6,005)	21,521
Increase (decrease) in amount due to a fellow subsidiary		9,307	(53)
Cash generated from operations		36,513	74,619
Hong Kong Profits Tax (paid) refunded		(279)	31
People's Republic of China (other than Hong Kong, the "PRC")			
— enterprise income tax paid		(1,739)	(3,194)
— enterprise income tax refunded		1,364	2,413
NET CASH FROM OPERATING ACTIVITIES		35,859	73,869
INVESTING ACTIVITIES			
Proceeds on disposal of business	23	18,613	—
Proceeds on disposal of property, plant and equipment		65	36
Interest received		46	82
Purchase of property, plant and equipment		(3,661)	(97,681)
Acquisition of other investment		(3,000)	—
NET CASH USED IN (FROM) INVESTING ACTIVITIES		12,063	(97,563)
FINANCING ACTIVITIES			
Dividends paid		(15,619)	(7,810)
Repayment of bank loans		(8,775)	(4,387)
Interest paid		(907)	(661)
Increase in trust receipt loans		4,706	2,129
Bank loans raised		—	35,100
NET CASH (USED IN) FROM FINANCING ACTIVITIES		(20,595)	24,371
NET INCREASE IN CASH AND CASH EQUIVALENTS		27,327	677
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		13,343	12,666
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, representing bank balances and cash		40,670	13,343