

Consolidated Cash Flow Statement

For the year ended 31st December, 2003

	<i>Note</i>	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
Operating activities			
Profit from operations		36,560	31,593
Adjustments for:			
Interest income		(199)	(118)
Depreciation and amortisation		5,898	5,616
Loss on disposal of property, plant and equipment		94	2
Reversal of revaluation decrease on leasehold land and buildings previously charged to the income statement		(56)	–
Revaluation decrease on leasehold land and buildings		–	334
Allowance for doubtful debts		1,051	995
Operating cash flows before movements in working capital		43,348	38,422
Decrease (increase) in inventories		2,156	(2,843)
Increase in debtors, deposits and prepayments		(13,911)	(3,336)
Decrease in creditors and accruals		(508)	(1,880)
Cash generated from operations		31,085	30,363
Interest paid		(1,225)	(2,172)
Finance lease charges paid		(8)	–
Hong Kong Profits Tax paid		(2,174)	(5,380)
Net cash generated from operating activities		27,678	22,811
Investing activities			
Interest received		199	118
Purchase of property, plant and equipment		(9,757)	(1,506)
Purchase of other investment		(1,829)	–
Proceeds from disposal of property, plant and equipment		41	84
Disposal of a subsidiary	26	791	–
Repayment from former ultimate holding company		–	40,715
Net cash (used in) generated from investing activities		(10,555)	39,411

Consolidated Cash Flow Statement (Continued)

For the year ended 31st December, 2003

	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
Financing activities		
New bank loans raised	17,237	8,219
Repayment of bank loans	(22,238)	(18,430)
Loan raised under finance lease arrangement	670	–
Repayment of obligations under a finance lease	(114)	–
Dividends paid	(14,400)	(55,000)
Proceeds from issue of shares	–	30,000
Share issue expenses	–	(6,370)
Net cash used in financing activities	(18,845)	(41,581)
Net (decrease) increase in cash and cash equivalents	(1,722)	20,641
Cash and cash equivalents at beginning of the year	19,691	(950)
Cash and cash equivalent at end of the year	17,969	19,691
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	19,179	20,350
Bank overdrafts	(1,210)	(659)
	17,969	19,691