

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2002

Note	2002 HK\$'000	2001 HK\$'000
<b>(LOSS)/PROFIT FROM ORDINARY ACTIVITIES</b>		
<b>BEFORE TAXATION</b>	(4,044)	25,798
<b>ADJUSTMENTS FOR:</b>		
Interest income	(954)	(1,391)
Interest expenses	10	105
Depreciation	4,036	5,093
Loss on disposals of property, plant and equipment	37	–
Amortisation and write-off of goodwill	1,208	994
Provision/(write back of provision) for obsolete and slow-moving inventories	4,042	(8,212)
	4,335	22,387
<b>OPERATING PROFIT BEFORE WORKING</b>		
<b>CAPITAL CHANGES</b>		
Decrease in inventories	9,065	6,850
Increase in amount due from a related company	–	(7)
Increase in amount due from a director	(65)	–
Decrease/(increase) in amount due from ultimate parent enterprise	4	(4)
Increase in prepayments, deposits and other receivables	(1,355)	(49)
Decrease in trade receivables	1,220	25,918
Decrease in bills payable	(137)	–
Increase/(decrease) in trade payables	5,061	(9,608)
Decrease in other payables and accruals	(294)	(4,198)
(Decrease)/increase in amount due to a director	(63)	63
<b>CASH GENERATED FROM OPERATIONS</b>	17,771	41,352
Purchase of Hong Kong tax reserve certificates	(11,437)	–
Hong Kong profits tax paid	(652)	(1,544)
Overseas tax paid	(296)	(103)
Interest expenses	(10)	(105)
<b>NET CASH FROM OPERATIONS</b>	5,376	39,600

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	Note	2002 HK\$'000	2001 HK\$'000
<b>NET CASH FROM OPERATIONS</b>		5,376	39,600
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposals of property, machinery and equipment		105	158
Acquisition of property, machinery and equipment		(2,925)	(7,457)
Acquisition of additional shares of a subsidiary		(187)	–
Interest received		954	1,391
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		(2,053)	(5,908)
<b>NET CASH INFLOW BEFORE FINANCING</b>		3,323	33,692
<b>CASH FLOWS FROM FINANCING</b>	22		
Proceeds from issue of shares		–	80,000
Share issue expenses		–	(14,901)
Dividends paid		(19,200)	(40,000)
<b>NET CASH (USED IN)/GENERATED FROM FINANCING</b>		(19,200)	25,099
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(15,877)	58,791
<b>EFFECT ON CUMULATIVE TRANSLATION ADJUSTMENT</b>		(14)	166
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		80,937	21,980
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		65,046	80,937

The notes on pages 25 to 54 form an integral part of these financial statements.