

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2003

	2003 HK\$'000	2002 HK\$'000
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES	24,268	(4,044)
BEFORE TAXATION		
ADJUSTMENTS FOR:		
Interest income	(465)	(954)
Interest expenses	–	10
Bad debt recovered	(276)	–
Depreciation	3,381	4,036
Bad debt written off	304	–
Loss on disposals of property, plant and equipment	35	37
Deficit on revaluation of land and buildings	1,105	–
Amortisation and write-off of goodwill	1,013	1,208
Provision for obsolete and slow-moving inventories	1,143	4,042
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	30,508	4,335
Decrease in inventories	242	9,065
Decrease in amount due from a related company	7	–
Decrease/(increase) in amount due from a director	65	(65)
(Increase)/decrease in amount due from ultimate parent enterprise	(4)	4
Increase in prepayments, deposits and other receivables	(32)	(1,355)
(Increase)/decrease in trade receivables	(12,181)	1,220
Decrease in bills payable	–	(137)
Increase in trade payables	503	5,061
Decrease in other payables and accruals	(2,006)	(294)
Decrease in amount due to a director	–	(63)
CASH GENERATED FROM OPERATIONS	17,102	17,771
Purchase of Hong Kong tax reserve certificates	(2,186)	(11,437)
Hong Kong profits tax paid	(276)	(652)
Overseas tax paid	(383)	(296)
Interest expenses	–	(10)
NET CASH INFLOW FROM OPERATIONS	14,257	5,376

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NET CASH INFLOW FROM OPERATIONS	14,257	5,376
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposals of property, plant and equipment	–	105
Acquisition of property, plant and equipment	(1,887)	(2,925)
Acquisition of additional shares of a subsidiary	–	(187)
Interest received	465	954
NET CASH USED IN INVESTING ACTIVITIES	(1,422)	(2,053)
NET CASH INFLOW BEFORE FINANCING	12,835	3,323
CASH FLOWS FROM FINANCING		
Dividends paid	(19,200)	(19,200)
NET CASH USED IN FINANCING	(19,200)	(19,200)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,365)	(15,877)
EFFECT ON CUMULATIVE TRANSLATION ADJUSTMENT	3	(14)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	65,046	80,937
CASH AND CASH EQUIVALENTS AT END OF YEAR	58,684	65,046

The notes on pages 25 to 51 form an integral part of these financial statements.