

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2004

	2004 HK\$'000	2003 HK\$'000
<b>PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION</b>	45,133	24,268
<b>ADJUSTMENTS FOR:</b>		
Interest income	(743)	(465)
Bad debt recovered	(15)	(276)
Depreciation	3,763	3,381
Bad debt written off	–	304
Loss on disposals of property, plant and equipment	371	35
Deficit on revaluation of land and buildings	–	1,105
Amortisation of goodwill	1,011	1,013
Provision for obsolete and slow-moving inventories	1,254	1,143
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	50,774	30,508
(Increase)/decrease in inventories	(2,731)	242
Decrease in amount due from a related company	–	7
Decrease in amount due from a director	–	65
Increase in amount due from ultimate parent enterprise	(5)	(4)
Increase in prepayments, deposits and other receivables	(2,345)	(32)
Decrease/(increase) in trade receivables	3,358	(12,181)
(Decrease)/increase in trade payables	(481)	503
Decrease in other payables and accruals	(912)	(2,006)
<b>CASH GENERATED FROM OPERATIONS</b>	47,658	17,102
Purchase of Hong Kong tax reserve certificates	–	(2,186)
Hong Kong profits tax paid	(160)	(276)
Overseas tax refunded/(paid)	69	(383)
<b>NET CASH INFLOW FROM OPERATIONS</b>	47,567	14,257
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposals of property, plant and equipment	3	–
Acquisition of property, plant and equipment	(11,784)	(1,887)
Interest received	743	465
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(11,038)	(1,422)
<b>NET CASH INFLOW BEFORE FINANCING</b>	36,529	12,835

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2004

	2004 HK\$'000	2003 HK\$'000
<b>NET CASH INFLOW BEFORE FINANCING</b>	36,529	12,835
<b>CASH FLOWS FROM FINANCING</b>		
Dividends paid	(10,880)	(19,200)
<b>NET CASH USED IN FINANCING</b>	(10,880)	(19,200)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	25,649	(6,365)
<b>EFFECT OF CUMULATIVE TRANSLATION ADJUSTMENTS</b>	(34)	3
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	58,684	65,046
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	84,299	58,684
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	84,299	58,684

The notes on pages 25 to 50 form an integral part of these financial statements.