

## CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2003 (in HK Dollars)

	2003 HK\$'000	2002 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	10,728	10,565
Adjustments for:		
Interest income	(157)	(924)
Gain on disposal of subsidiaries	(1,973)	–
Depreciation	1,789	3,095
Loss on disposal of fixed assets	6	121
Finance costs	138	811
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Operating profit before working capital changes	10,531	13,668
(Increase)/decrease in inventories	(11,530)	1,789
Increase in trade and bills receivables	(41,017)	(27,117)
Decrease in prepayments, deposits and other receivables	21	9,333
Increase in amount due by a related company	(18,616)	–
Increase in trade and bills payables	78,299	27,405
Increase in amount due to holding company	6,354	–
(Decrease)/increase in other payables and accruals	(11,666)	9,163
Decrease in trust receipt loans with original maturity of more than three months	–	(27,580)
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Cash generated from operations	12,376	6,661
Interest received	157	924
Hong Kong profits tax refunded	–	204
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<b>Net cash inflow from operating activities</b>	<b>12,533</b>	<b>7,789</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net sales proceeds from disposal of subsidiaries	4,897	–
Purchases of fixed assets	(6,680)	(7,469)
(Increase)/decrease in pledged bank deposits	(16,187)	3,547
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<b>Net cash outflow from investing activities</b>	<b>(17,970)</b>	<b>(3,922)</b>

**CONSOLIDATED CASH FLOW STATEMENT** *(continued)**for the year ended 31 March 2003 (in HK Dollars)*

	<b>2003</b>	2002
	<b>HK\$'000</b>	HK\$'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	–	50,000
Share issue expenses	–	(12,553)
New finance leases	<b>506</b>	–
Capital element of finance lease payments	<b>(315)</b>	(224)
Finance costs paid	<b>(138)</b>	(811)
	<u>53</u>	<u>36,412</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(5,384)</b>	40,279
Cash and cash equivalents at beginning of year	<b>35,060</b>	(5,219)
	<u>29,676</u>	<u>35,060</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>29,676</b>	35,060
	<u>29,676</u>	<u>35,060</u>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	<b>29,676</b>	35,060
	<u>29,676</u>	<u>35,060</u>

The accompanying notes form an integral part of these financial statements.