

Consolidated Cash Flow Statement

For the year ended 31st March, 2004

	2004 HK\$'000	2003 HK\$'000
OPERATING ACTIVITIES		
Profit from operations	10,519	16,753
Adjustments for:		
Interest income	(118)	(218)
Depreciation and amortisation	14,269	15,792
Loss on disposal of property, plant and equipment	2,188	391
Bad debts written off	—	8,559
Provision for retirement benefit obligations	283	110
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Operating cash flows before movements in working capital	27,141	41,387
Increase in inventories	(2,207)	(5,056)
Increase in trade and other receivables	(1,981)	(15,956)
(Increase) decrease in bills receivable	(7,155)	1,113
Increase in amounts due from related companies	(302)	(431)
Increase in trade and other payables	6,627	13,666
Decrease in bills payable	—	(658)
Increase in amount due to a related company	760	57,254
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Cash generated from operations	22,883	91,319
Interest paid	(5)	(212)
Hong Kong Profits Tax paid	(27)	(190)
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NET CASH FROM OPERATING ACTIVITIES	22,851	90,917

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For the year ended 31st March, 2004

	<i>Note</i>	2004 HK\$'000	2003 HK\$'000
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,445)	(6,676)
Increase in pledged bank deposit		(51)	(7,819)
Interest received		118	218
Proceeds from disposal of property, plant and equipment		3	174
Disposal and partial disposal of interests in subsidiaries (net of cash and cash equivalents disposed of)	22	<u>—</u>	<u>84,321</u>
NET CASH (USED IN) FROM INVESTING ACTIVITIES		<u>(1,375)</u>	<u>70,218</u>
FINANCING ACTIVITIES			
Dividends paid		—	(193,875)
Repayment of bank borrowings		—	(4,649)
Expenses incurred in connection with issue of shares		—	(656)
Issue of shares		<u>—</u>	<u>37,950</u>
NET CASH USED IN FINANCING ACTIVITIES		<u>—</u>	<u>(161,230)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		21,476	(95)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		<u>29,262</u>	<u>29,357</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		<u>50,738</u>	<u>29,262</u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		50,738	29,296
Bank overdraft		<u>—</u>	<u>(34)</u>
		<u>50,738</u>	<u>29,262</u>