

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March, 2004

	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,714	1,773
Adjustments for:		
Amortisation of prepaid rentals	2,239	2,239
Depreciation and amortisation of property, plant and equipment	11,702	10,345
Interest income	(10)	(47)
Interest expenses	1,777	1,139
Gain on disposal of property, plant and equipment	(2,014)	(2,240)
Loss on winding up of subsidiaries	–	85
Reversal of allowance for inventories included in cost of sales	(5,859)	(7,905)
Operating cash flow before movements in working capital	11,549	5,389
Decrease (increase) in inventories	45,569	(41,847)
Decrease (increase) in debtors, deposits and prepayments	3,979	(16,196)
Compensation received	–	8,176
(Decrease) increase in creditors and accrued charges	(38,586)	40,588
(Decrease) increase in bills payable	(270)	4,038
Cash generated from operations	22,241	148
Interest received	10	47
NET CASH GENERATED FROM OPERATING ACTIVITIES	22,251	195
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(10,474)	(14,432)
Proceeds from disposal of property, plant and equipment	2,434	3,348
Decrease in pledged bank deposits/balances	–	131
NET CASH USED IN INVESTING ACTIVITIES	(8,040)	(10,953)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash (outflow to) inflow from trust receipt and import loans	(31,517)	46,177
Principal repayment for obligations under finance leases	(3,303)	–
Interest on bank borrowings paid	(1,653)	(1,051)
Finance leases charges paid	(340)	(7)
New bank loans raised	25,421	–
Issue of shares for cash upon exercise of share options	958	3,049
New finance lease raised	–	6,000
Repayments of rescheduled loans	–	(41,313)
Repayment of loans from directors	–	(4,000)
NET CASH (USED IN) GENERATED FROM FINANCING ACTIVITIES	(10,434)	8,855

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NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,777	(1,903)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	6,717	8,620
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(25)	–
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	10,469	6,717
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	14,217	11,926
Bank overdrafts	(3,748)	(5,209)
	10,469	6,717