

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2004

	2004 HK\$'000	2003 HK\$'000
OPERATING ACTIVITIES		
Profit from operations	305,136	230,309
Adjustments for:		
Amortisation of borrowing costs	278	–
Interest income	(412)	(432)
Depreciation and amortisation	54,972	34,421
Loss on disposal of property, plant and equipment	37	48
Operating cash flows before movements in working capital	360,011	264,346
Increase in inventories	(211,223)	(162,708)
Increase in trade and bills receivable	(131,131)	(70,292)
Increase in deposits, prepayments and other receivables	(140,224)	(7,309)
Increase in retirement benefit assets	(59)	(57)
Increase in amount due from a related company	(760)	(668)
Increase in trade and bills payable	57,741	53,778
Increase in accruals and other payables	7,519	81,193
Cash (used in) generated from operations	(58,126)	158,283
Interest paid	(15,008)	(15,233)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(73,134)	143,050
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(619,159)	(591,929)
Deposits paid on acquisition of property, plant and equipment	(113,359)	(35,919)
Proceeds from disposal of property, plant and equipment	982	13
Interest received	412	432
NET CASH USED IN INVESTING ACTIVITIES	(731,124)	(627,403)

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For the year ended 31 March 2004

	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
FINANCING ACTIVITIES		
New bank loans raised	2,304,453	506,969
Net proceeds from issue of shares	1,123,491	–
Advance from ultimate holding company	357,485	–
Repayment of bank loans	(1,855,050)	(240,566)
(Repayment to) advance from former ultimate holding company	(795,000)	201,867
Borrowing costs paid	(5,000)	–
Dividend paid	–	(30,000)
NET CASH FROM FINANCING ACTIVITIES	1,130,379	438,270
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	326,121	(46,083)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	23,261	68,922
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	–	422
CASH AND CASH EQUIVALENTS CARRIED FORWARD	349,382	23,261
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	351,718	23,261
Bank overdraft	(2,336)	–
	349,382	23,261