

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March, 2004

	2004 HK\$	2003 HK\$
OPERATING ACTIVITIES		
Loss from operations	(9,382,659)	(27,892,106)
Adjustments for:		
Amortisation of development costs	1,430,868	457,197
Depreciation of property, plant and equipment	6,235,298	7,565,926
Allowance for bad and doubtful debts	258,613	246,272
Allowance for slow-moving and obsolete inventories	1,095,866	2,280,000
Impairment loss recognised on unlisted investment	–	300,000
Allowance for properties held for sales	317,181	–
Interest income	(39,956)	(120,710)
(Gain) loss on disposal of property, plant and equipment	(1,328,852)	2,629,713
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Operating cash flows before movements in working capital	(1,413,641)	(14,533,708)
Decrease in inventories	16,764,175	25,468,592
Decrease in trade and other receivables	4,012,081	965,140
Decrease in bills receivable	–	28,860
Decrease in trade and other payables	(27,069,753)	(29,832,217)
Decrease in bills payable	–	(24,601,200)
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Cash used in operations	(7,707,138)	(42,504,533)
Hong Kong Profits Tax paid	–	(1,168,735)
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NET CASH USED IN OPERATING ACTIVITIES	(7,707,138)	(43,673,268)
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INVESTING ACTIVITIES		
Decrease in pledged bank deposits	3,900,000	–
Proceeds on disposal of property, plant and equipment	1,878,923	2,403,236
Interest received	39,956	120,710
Increase in development cost	(2,730,696)	(2,658,814)
Purchase of property, plant and equipment	(725,154)	(1,334,498)
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NET CASH FROM (USED IN) INVESTING ACTIVITIES	2,363,029	(1,469,366)
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CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the year ended 31st March, 2004

	2004	2003
	<i>HK\$</i>	<i>HK\$</i>
FINANCING ACTIVITIES		
(Decrease) increase in trust receipt loans	(13,719,371)	15,392,502
Interest paid	(491,864)	(680,384)
Repayment of obligations under finance leases	(31,788)	(3,435,339)
Interest paid on finance leases	(795)	(76,550)
Net proceed from issue of shares and premiums	3,478,130	34,800
New bank loans raised	2,803,738	–
Dividends paid	–	(1,881,150)
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NET CASH (USED IN) FROM FINANCING ACTIVITIES	(7,961,950)	9,353,879
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DECREASE IN CASH AND CASH EQUIVALENTS	(13,306,059)	(35,788,755)
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CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	19,176,059	54,964,814
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CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	5,870,000	19,176,059
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