

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2004

| | Notes | 2004 HK\$'000 | 2003 HK\$'000 |
|---|-------|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit/(loss) before tax | | (9,359) | 10,895 |
| Adjustments for: | | | |
| Finance costs | 9 | 8,726 | 18,179 |
| Share of profits and losses of jointly-controlled entities | | (78) | (2,070) |
| Interest income | 6 | (10) | (56) |
| Loss on disposal of fixed assets | 7 | 210 | 644 |
| Loss on disposal of investment properties | 7 | - | 41 |
| Gain arising on write off of bank indebtedness and interest payable | | (15,915) | (18,000) |
| Depreciation | 7 | 21,119 | 20,649 |
| Reversal of impairment of interest in a jointly-controlled entity | 7 | - | (2,063) |
| Surplus on revaluation of leasehold land and buildings | 7 | (11) | (9,245) |
| Provision for doubtful debts | 7 | - | 88 |
| Provision against other receivables | 7 | 940 | 1,965 |
| Operating profit before working capital changes | | 5,622 | 21,027 |
| Decrease in prepaid rentals | | 2,196 | 2,243 |
| Increase in inventories | | (6,057) | (1,730) |
| Decrease/(increase) in accounts and bills receivable | | 7,707 | (16,262) |
| Decrease/(increase) in prepayments, deposits and other receivables | | (273) | 7,144 |
| Increase/(decrease) in accounts and bills payable | | (9,264) | 15,178 |
| Decrease in other payables and accruals | | (4,199) | (1,837) |
| Increase in provision | | - | 575 |
| Increase in amounts due to joint venture partners | | 662 | 376 |
| Increase in an amount due to a director | | 701 | - |
| Cash generated from/(used in) operations | | (2,905) | 26,714 |
| Interest received | | 10 | 56 |
| Interest paid | | (8,464) | (17,838) |
| Interest element of finance lease rental payments | | (262) | (341) |
| Hong Kong profits tax refunded/(paid) | | 1,424 | (434) |
| Overseas taxes paid | | - | (92) |
| Net cash inflow/(outflow) from operating activities | | (10,197) | 8,065 |

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| Net cash inflow/(outflow) from operating activities | (10,197) | 8,065 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of fixed assets | (1,352) | (2,008) |
| Proceeds from disposal of fixed assets | 34 | 6,240 |
| Proceeds from disposal of investment properties | - | 2,139 |
| Increase in pledged time deposits | (2,034) | (1,404) |
| Net cash inflow/(outflow) from investing activities | (3,352) | 4,967 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of new shares | - | 31,363 |
| Share issue expenses | - | (1,584) |
| Drawdown of bank loans | 25,332 | 1,395 |
| Repayment of bank loans | (19,402) | (44,765) |
| Drawdown of other loans | 6,307 | 4,293 |
| Capital element of finance lease rental payments | (1,299) | (1,041) |
| Capital returned to a minority shareholder | (1,275) | (1,297) |
| Net cash inflow/(outflow) from financing activities | 9,663 | (11,636) |
| INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | (3,886) | 1,396 |
| Discharge of bank overdrafts under a debt restructuring | - | 64,007 |
| Cash and cash equivalents at beginning of year | 8,300 | (57,103) |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 4,414 | 8,300 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | |
| Cash and bank balances | 4,414 | 8,300 |