

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March 2004

	Notes	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax and minority interests		15,479	32,901
Adjustments for:			
Interest income		(4)	(320)
Dividend income		(83)	(835)
Depreciation		2,101	1,651
Amortisation of deferred expenditure		75	75
Finance costs		1,802	1,715
Loss on deemed disposal of a subsidiary		702	–
Share of profit of an associate		(566)	(512)
Operating profit before working capital changes		19,506	34,675
Decrease/(Increase) in inventories		2,527	(7,420)
Decrease/(Increase) in trade receivables		726	(576)
Increase in prepayments, deposits and other receivables		(3,774)	(1,122)
Decrease in balances with directors		–	(315)
Increase in trade payables		151	2,833
Increase in other payables and accrued expenses		970	2,478
Decrease in trade deposits received		(3,876)	(99)
Cash generated from operations		16,230	30,454
Interest and bank charges paid		(1,802)	(1,715)
Tax paid		(3,370)	(1,763)
Net cash inflow from operating activities		11,058	26,976
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		4	186
Dividend received from unlisted investments		83	835
Purchases of property, plant and equipment		(6,129)	(8,885)
Investment in an associate		–	(298)
Purchase of investment securities		(9,346)	–
Acquisition of option to acquire an equity interest of a company		(15,000)	–
Deposits and prepayments for investment in production plants	16	–	(18,200)
Repayment from associate		1,910	–
Deferred expenditure incurred		–	(1,500)
Cash effect on deemed disposal of a subsidiary	30	5,295	–
Cash effect of formation of Chinese foreign equity joint venture		4,487	–
Net cash outflow from investing activities		(18,696)	(27,862)

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

for the year ended 31st March 2004

	<i>Notes</i>	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	27	734	36,000
Share issue expenses		–	(8,129)
Dividends paid	12	–	(13,000)
Capital element of finance lease rental payments		(200)	(99)
Proceeds from bank loans		9,704	2,876
Net cash inflow from financing activities		10,238	17,648
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		17,388	631
Effect on foreign exchange rate changes		11	(5)
CASH AND CASH EQUIVALENTS AT END OF YEAR		19,999	17,388
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		19,999	17,388
Bank overdrafts		–	–
		19,999	17,388

The accompanying notes form an integral part of these financial statements.