

CONSOLIDATED CASH FLOW STATEMENT

ANNUAL REPORT 2004

For the year ended 31st March 2004

	Note	2004 HK\$'000	2003 HK\$'000
OPERATING ACTIVITIES			
Profit from operations		2,425	13,749
Adjustments for:			
Interest income		(299)	(265)
Depreciation and amortisation of property, plant and equipment		3,888	2,862
Amortisation of goodwill		429	–
Impairment loss recognised in respect of investments in securities		–	2,000
Impairment loss recognised in respect of goodwill		–	471
Loss/(gain) on disposal of property, plant and equipment		963	(80)
Loss on disposal of investment properties		2,053	–
		<u>9,459</u>	<u>18,737</u>
Operating cash flow before movements in working capital		9,459	18,737
Decrease/(increase) in inventories		16,145	(24,405)
(Increase)/decrease in debtors, deposits and prepayments		(5,169)	7,092
Decrease in amounts due from related companies		5,516	278
(Decrease)/increase in creditors and accrued charges		(8,657)	12,948
Decrease in bills payable		–	(412)
Exchange adjustments		(199)	(11)
		<u>17,095</u>	<u>14,227</u>
Net cash generated from operations		17,095	14,227
Interest received		299	265
Interest paid		(857)	(260)
Interest on finance leases		(7)	(7)
Tax paid:			
Hong Kong		(1,661)	(773)
Overseas		(87)	–
		<u>14,782</u>	<u>13,452</u>
NET CASH FROM OPERATING ACTIVITIES		14,782	13,452
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(4,305)	(4,033)
Purchase of investment properties		–	(50,601)
Purchase of investments in securities		(10,502)	(7,741)
Proceeds from disposal of investments in securities		7,741	–
Proceeds from disposal of property, plant and equipment		3	80
Proceeds from disposal of investment properties		7,700	–
Advance to related companies		–	(4,420)
Increase in pledged bank deposits		(280)	–
Acquisition of subsidiaries	33(a)	223	–
		<u>580</u>	<u>(66,715)</u>
NET CASH FROM/(USED IN) INVESTING ACTIVITIES		580	(66,715)

For the year ended 31st March 2004

	2004 HK\$'000	2003 HK\$'000
FINANCING ACTIVITIES		
Dividend paid	(1,904)	(8,303)
Repayment of bank loans	(3,056)	(796)
Repayment of obligations under finance leases	(40)	(111)
New bank loan raised	-	33,740
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NET CASH (USED IN)/FROM FINANCING ACTIVITIES	<u>(5,000)</u>	<u>24,530</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	10,362	(28,733)
Effect of foreign exchange rates changes	25	11
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CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>32,417</u>	<u>22,030</u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	32,473	22,030
Bank overdraft	(56)	-
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	<u>32,417</u>	<u>22,030</u>