

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2004 (in HK Dollars)

	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	15,390	10,728
Adjustments for:		
Interest income	(45)	(157)
Gain on disposal of subsidiaries	–	(1,973)
Depreciation	642	1,789
Loss on disposal of fixed assets	9	6
Finance costs	92	138
Operating profit before working capital changes	16,088	10,531
Increase in inventories	(22,365)	(11,530)
Decrease/(increase) in trade receivables	4,457	(41,017)
(Increase)/decrease in prepayments, deposits and other receivables	(24,332)	21
Decrease/(increase) in amount due by a related company	18,616	(18,616)
(Decrease)/increase in trade and bills payables	(32,566)	78,299
(Decrease)/increase in amount due to holding company	(4,488)	6,354
Increase/(decrease) in other payables and accruals	420	(11,666)
Cash (used in)/generated from operations	(44,170)	12,376
Interest received	45	157
Hong Kong profits tax paid	(170)	–
Hong Kong profits tax refunded	246	–
<i>Net cash (outflow)/inflow from operating activities</i>	(44,049)	12,533
CASH FLOWS FROM INVESTING ACTIVITIES		
Net sales proceeds from disposal of subsidiaries	–	4,897
Sales proceeds from disposal of fixed assets	319	–
Purchases of fixed assets	(629)	(6,680)
Decrease/(increase) in pledged bank deposits	15,685	(16,187)
<i>Net cash inflow/(outflow) from investing activities</i>	15,375	(17,970)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	35,700	–
Share issue expenses	(1,140)	–
Share option exercised	4,860	–
New finance leases	–	506
Capital element of finance lease payments	(243)	(315)
Finance costs paid	(92)	(138)
<i>Net cash inflow from financing activities</i>	39,085	53
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	10,411	(5,384)
Cash and cash equivalents at beginning of year	29,676	35,060
CASH AND CASH EQUIVALENTS AT END OF YEAR	40,087	29,676
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	40,087	29,676

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