

Consolidated Cash Flow Statement

For the year ended 31 March 2004
(Expressed in Hong Kong dollars)

	2004 \$'000	2003 \$'000
Operating activities		
(Loss)/profit from ordinary activities before taxation	(5,414)	9,277
Adjustments for:		
– Depreciation	2,395	1,927
– Finance costs	1,229	1,541
– Interest income	(273)	(399)
– Loss on disposal of fixed assets	56	430
– (Surplus)/deficit on revaluation of investment properties and leasehold land and buildings	(86)	1,605
– Gain on disposal of an associate	(727)	–
Foreign exchange gain	(9)	–
Operating (loss)/profit before changes in working capital	(2,829)	14,381
Decrease in inventories	1,558	240
Decrease/(increase) in accounts and bills receivable	41,032	(32,485)
Increase in finance lease receivable	(314)	–
Decrease in prepayments, deposits and other receivables	8,917	893
Decrease/(increase) in amount due from a related company	293	(665)
Increase/(decrease) in accounts and bills payable	13,751	(7,268)
(Decrease)/increase in deposits, other payables and accrued charges	(7,031)	7,880
Increase in provision for warranties	133	34
Cash generated from/(used in) operations	55,510	(16,990)
Tax paid		
– Hong Kong Profits Tax paid	(1,019)	(3,770)
– The People's Republic of China ("PRC") tax paid	(55)	(54)
	(1,074)	(3,824)

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	Note	2004 \$'000	2003 \$'000
Net cash generated from/(used in) operating activities		54,436	(20,814)
Investing activities			
Payment for purchase of fixed assets		(2,722)	(13,385)
Payment for additions to construction in progress		–	(2,366)
Proceeds from sales of fixed assets		213	503
Payment for loan to an associate		–	(4,073)
Proceeds from disposal of an associate		4,800	–
Decrease in pledged bank deposits		1,892	2,878
Capital contribution from minority shareholders		500	–
Interest received		273	412
Net cash generated from/(used in) investing activities		4,956	(16,031)
Financing activities			
Capital element of finance lease rentals paid		(372)	(351)
Proceeds from new bank loans		4,500	25,629
Repayment of bank loans		(19,768)	(12,431)
Interest paid		(1,196)	(1,513)
Interest element of finance lease rentals paid		(33)	(28)
Dividends paid		(2,800)	(8,800)
Net cash (used in)/generated from financing activities		(19,669)	2,506
Net increase/(decrease) in cash and cash equivalents		39,723	(34,339)
Cash and cash equivalents at 1 April		18,559	52,898
Cash and cash equivalents at 31 March	20	58,282	18,559

The notes on pages 27 to 70 form part of these financial statements.