

Consolidated Cash Flow Statement

Year ended 31 March 2004

	Notes	2004 HK\$	2003 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		(14,791,648)	3,146,800
Adjustments for:			
Finance costs	7	2,133,108	1,937,366
Share of profits and losses of associates		–	133,252
Interest income	6	(21,524)	(7,634)
Depreciation	6	3,446,202	2,958,391
Revaluation deficit/(surplus) of investment properties	6	(440,000)	1,503,400
Revaluation deficit/(surplus) of land and buildings	6	(6,400)	165,677
Provision for slow-moving and obsolete inventories	6	580,000	–
Provision for amount due from an associate	6	–	2,200,000
Provision for bad and doubtful debts	6	140,000	–
Recovery of trade receivables	6	–	(501,001)
Recovery of amount due from an associate	6	–	(1,000,000)
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Operating profit/(loss) before working capital changes		(8,960,262)	10,536,251
Decrease/(increase) in inventories		974,697	(445,747)
Decrease/(increase) in trade and bills receivables		573,453	(1,455,988)
Increase in other receivables		(797,540)	(398,343)
Decrease/(increase) in amounts due from associates		(3,000,000)	3,000,000
Increase/(decrease) in trade payables		620,099	(556,467)
Increase/(decrease) in other payables and accruals		(916,705)	1,032,868
Decrease in amounts due to directors		(85,000)	(148,657)
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Cash generated from/(used in) operations		(11,591,258)	11,563,917
Interest received		21,524	7,634
Taxes paid		–	(756,824)
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Net cash inflow/(outflow) from operating activities		(11,569,734)	10,814,727
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CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(4,636,645)	(5,436,998)
Increase in pledged time deposits		(5,000,000)	–
Repayment of amount due from an associate		–	1,000,000
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Net cash outflow from investing activities		(9,636,645)	(4,436,998)
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Consolidated Cash Flow Statement

Year ended 31 March 2004

	Notes	2004 HK\$	2003 HK\$
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	27	2,593,500	–
New bank loans		26,321,302	21,722,021
Repayment of bank loans		(17,497,286)	(24,388,052)
Net addition/(repayment) of trust receipt loans		(524,249)	3,331,058
Advances from related parties		1,721,698	–
Repayment of amount due to a related company		–	(5,346,183)
Capital element of finance lease rental payments		(648,709)	(397,497)
Interest element of finance lease rental payments		(83,201)	(59,789)
Interest paid		(2,049,907)	(1,877,577)
		<u>9,833,148</u>	<u>(7,016,019)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		(11,373,231)	(638,290)
Cash and cash equivalents at beginning of year		<u>8,808,935</u>	<u>9,447,225</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		<u>(2,564,296)</u>	<u>8,808,935</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	19	1,690,698	9,521,288
Bank overdrafts	21	(4,254,994)	(712,353)
		<u>(2,564,296)</u>	<u>8,808,935</u>