

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2005 (in HK Dollars)

	2005 HK\$'000	2004 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,423	15,390
Adjustments for:		
Interest income	(2)	(45)
Gain on disposal of subsidiaries	(112)	–
Depreciation	6,014	642
Amortisation of goodwill	1,179	–
Sales tax	3,737	–
Provision for bad and doubtful debts	3,773	–
(Gain)/loss on disposal of fixed assets	(62)	9
Finance costs	5,683	92
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Operating profit before working capital changes	23,633	16,088
Decrease/(increase) in inventories	14,103	(22,365)
Decrease in trade receivables	860	4,457
Increase in prepayments, deposits and other receivables	(13,056)	(24,332)
Decrease in amount due by a related company	–	18,616
Decrease in trade and bills payables	(42,127)	(32,566)
Increase/(decrease) in amount due to a holding company	3,543	(4,488)
Increase in other payables and accruals	16,392	420
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Cash generated from/(used in) operations	3,348	(44,170)
Interest received	2	45
Hong Kong profits tax paid	–	(170)
Hong Kong profits tax refunded	–	246
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<i>Net cash inflow/(outflow) from operating activities</i>	3,350	(44,049)
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CASH FLOWS FROM INVESTING ACTIVITIES		
Sales proceeds from disposal of fixed assets	440	319
Purchases of fixed assets	(32,575)	(629)
Purchase of a subsidiary, net	(34,936)	–
Disposal of subsidiaries, net	(28)	–
Decrease in pledged bank deposits	8,207	15,685
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<i>Net cash (outflow)/inflow from investing activities</i>	(58,892)	15,375
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for the year ended 31 March 2005 (in HK Dollars)

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CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	–	35,700
Share issue expenses	–	(1,140)
Share option exercised	–	4,860
Proceeds from issue of convertible bond	26,813	–
Repayment of bank loans	(943)	–
New finance leases	2,120	–
Capital element of finance lease payments	(606)	(243)
Finance costs paid	(5,683)	(92)
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<i>Net cash inflow from financing activities</i>	21,701	39,085
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NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(33,841)	10,411
Cash and cash equivalents at beginning of year	40,087	29,676
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CASH AND CASH EQUIVALENTS AT END OF YEAR	6,246	40,087
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ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	6,246	40,087
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The accompanying notes form an integral part of these financial statements.