

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2005

	Note	2005 HK\$'000	2004 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		13,952	33,519
Adjustments for:			
Interest income		(200)	(19)
Dividend income from investment securities		(159)	(80)
Depreciation		1,217	1,109
Amortisation of intangible assets		271	583
Finance costs		192	188
Loss on disposal of a subsidiary		2,585	72
Operating profit before working capital changes		17,858	35,372
Increase in trade receivables		(4,867)	(1,360)
Increase in inventories		(10,759)	(544)
Decrease/(Increase) in prepayments, deposits and other receivables		1,816	(6,324)
Increase in trade and other payables		3,805	1,192
Cash generated from operations		7,853	28,336
Interest received		200	19
Profits tax paid		(801)	—
Hong Kong profits tax refund		—	114
Net cash inflow from operating activities		7,252	28,469
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments to acquire fixed assets		(4,614)	(7)
Loan to third party		(2,000)	—
Dividend received from investment securities		159	80
Payments to acquire investment securities		(4,680)	(25,740)
Cash effect on acquisition of a subsidiary	29	(3,480)	(9,192)
Cash effect on disposal of a subsidiary	30	2,792	883
Receipts from disposal of trading securities		—	1,000
Net cash outflow from investing activities		(11,823)	(32,976)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of mortgage loan		(159)	(251)
Interest and bank charges paid		(192)	(188)
Net cash outflow from financing activities		(351)	(439)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
		(4,922)	(4,946)
Cash and cash equivalents at beginning of year		9,168	14,114
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>			
		4,246	9,168

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