

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2004

	2004 HK\$'000	2003 HK\$'000
OPERATING ACTIVITIES		
Loss from operations	(27,869)	(17,975)
Adjustments for:		
Depreciation and amortisation of property, plant and equipment	7,660	8,182
Amortisation of goodwill	13,504	7,002
Amortisation of trademarks	81	45
Interest income	(24)	(47)
(Gain) loss on disposal of property, plant and equipment	(42)	540
Impairment losses recognised in respect of property, plant and equipment	–	3,000
Revaluation decrease on revaluation of investment properties	–	400
Operating cash flows before movements in working capital	(6,690)	1,147
Increase in inventories	(9,457)	(8,352)
(Increase) decrease in trade and other receivables	(24,784)	8,491
(Increase) decrease in amounts due from associates	(9,128)	1,783
Increase (decrease) in trade and other payables	19,230	(6,274)
Decrease in amount due to a related company	–	731
(Decrease) increase in deferred franchise income	(56)	53
Cash used in operation	(30,885)	(2,421)
Hong Kong Profits Tax paid	(1,818)	(2,760)
Interest received	24	47
NET CASH USED IN OPERATING ACTIVITIES	(32,679)	(5,134)

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	Notes	2004 HK\$'000	2003 HK\$'000
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(10,068)	(6,127)
Investments in associates		(2,417)	–
Disposal of subsidiaries	34	(2,510)	–
Purchase of trademark		(370)	(293)
Acquisition of subsidiaries	35	1,103	987
Repayment of loan receivables		937	35
Proceeds from disposal of property, plant and equipment		410	252
Dividend income from associates		12	–
NET CASH USED IN INVESTING ACTIVITIES		(12,903)	(5,146)
FINANCING ACTIVITIES			
Proceeds from issue of new shares, net of expenses		154,049	5,802
Trust receipt loans raised		31,896	559
Loans from a shareholder		16,000	13,900
Repayment of loans from a shareholder		(98,168)	(900)
Bank borrowings (repaid) raised		(30,841)	11,175
Redemption of convertible notes		(13,000)	(315)
Interest paid		(7,786)	(4,581)
Principal payments of obligations under finance leases		(484)	(679)
Dividend paid to minority shareholders		(12)	(10)
NET CASH FROM FINANCING ACTIVITIES		51,654	24,951
INCREASE IN CASH AND CASH EQUIVALENTS		6,072	14,671
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		21,508	6,837
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		27,580	21,508
Represented by:			
Bank balances and cash		32,580	21,508
Bank overdrafts		(5,000)	–
		27,580	21,508