

## CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2004

		2004	2003
	Notes	HK\$'000	HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>4,662</b>	18,356
Adjustments for:			
Finance costs	8	<b>19</b>	162
Interest income	6	<b>(235)</b>	(611)
Depreciation	7	<b>1,874</b>	1,176
Loss/(gain) on disposal of fixed assets	7	<b>(80)</b>	119
Operating profit before working capital changes		<b>6,240</b>	19,202
Decrease/(increase) in inventories		<b>2,673</b>	(5,200)
Decrease/(increase) in trade receivables		<b>(885)</b>	6,136
Decrease/(increase) in prepayments, deposits and other receivables		<b>(52)</b>	848
Decrease/(increase) in an amount due from prior shareholders		<b>500</b>	(500)
Decrease in amount due from directors		<b>–</b>	18,626
Increase/(decrease) in trade payables		<b>2,438</b>	(730)
Increase/(decrease) in other payables and accruals		<b>(3,683)</b>	2,784
Cash generated from operations		<b>7,231</b>	41,166
Hong Kong profits tax paid		<b>(1,891)</b>	(7,869)
Net cash inflow from operating activities		<b>5,340</b>	33,297
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of a subsidiary	28(b)	<b>(14,060)</b>	–
Interest received		<b>235</b>	611
Purchases of fixed assets		<b>(20,905)</b>	(1,782)
Decrease/(increase) in pledged time deposits		<b>(38)</b>	139
Proceeds from disposal of fixed assets		<b>115</b>	1,647
Net cash inflow/(outflow) from investing activities		<b>(34,653)</b>	615

## CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2004

		2004	2003
	Notes	HK\$'000	HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of new shares		–	51,000
Share issue expenses		–	(12,280)
Capital element of finance lease rental payments		(375)	(1,661)
Interest element on finance lease rental payments		(19)	(139)
Other finance costs paid		–	(23)
Capital contribution from shareholders		–	200
Dividends paid		(2,000)	(24,000)
Net cash inflow/(outflow) from financing activities		(2,394)	13,097
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(31,707)	47,009
Cash and cash equivalents at beginning of year		58,332	11,323
Effect of foreign exchange rate changes, net		(17)	–
CASH AND CASH EQUIVALENTS AT END OF YEAR		26,608	58,332
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	15,209	5,159
Non-pledged time deposits with original maturity of less than three months when acquired	21	11,399	53,173
		26,608	58,332