

# Consolidated

## Cash Flow Statement

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Annual  
Report  
2004

Sun East Technology (Holdings) Limited

Year ended 31 March 2004

	Notes	2004 HK\$'000	2003 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before tax		<b>40,346</b>	(44,646)
Adjustments for:			
Share of losses of a jointly-controlled entity and an associate		<b>212</b>	–
Depreciation	6	<b>14,637</b>	25,562
Loss on disposal of fixed assets	6	<b>48</b>	83
Gain on disposal of discontinued operations		<b>–</b>	(379)
Amortisation of technical know-how	6	<b>5,398</b>	5,134
Deficit/(surplus) on revaluation of investment property	6	<b>(100)</b>	130
Provision/(write-back of provision) for doubtful debts	6	<b>(6,147)</b>	14,486
Deficit on revaluation of leasehold land and buildings	6	<b>14</b>	34
Provision for slow-moving inventories	6	<b>–</b>	1,893
Interest income	5	<b>(238)</b>	(622)
Finance costs	9	<b>1,462</b>	1,976
Operating profit before working capital changes		<b>55,632</b>	3,651
Decrease/(increase) in inventories		<b>(31,546)</b>	4,228
Increase in construction contract		<b>(2,083)</b>	–
Increase in accounts receivable		<b>(54,071)</b>	(3,839)
Increase in prepayments, deposits and other receivables		<b>(15,290)</b>	(1,199)
Increase in accounts and bills payable		<b>40,153</b>	2,404
Increase in accruals and other payables		<b>15,880</b>	2,180
Increase/(decrease) in amounts due to directors		<b>(2,902)</b>	41
Cash generated from operations		<b>5,773</b>	7,466
Interest received		<b>238</b>	622
Interest paid		<b>(1,327)</b>	(1,694)
Interest element on finance lease rental payments		<b>(135)</b>	(282)
Dividend paid		<b>(4,200)</b>	–
Hong Kong profits tax paid		<b>–</b>	(1,203)
Overseas taxes paid		<b>(377)</b>	–
Net cash inflow/(outflow) from operating activities			
Continuing operations		<b>(28)</b>	(5,101)
Discontinued operations		<b>–</b>	10,010
Total		<b>(28)</b>	4,909

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	Notes	2004 HK\$'000	2003 HK\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed assets		(11,134)	(21,890)
Proceeds from disposal of fixed assets		206	–
Acquisition of a subsidiary	31(b)	–	(28,000)
Disposal of a subsidiary	31(c)	–	9,076
Disposal of a subsidiary in the prior year	31(c)	3,500	–
Investment in an associate		(1,000)	–
Advance of a loan to a jointly-controlled entity		(244)	–
Net cash outflow from investing activities			
Continuing operations		(8,672)	(36,614)
Discontinued operations		–	(4,200)
Total		(8,672)	(40,814)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of share capital		23,180	–
Share issue expenses		(664)	–
New bank loans		18,868	28,390
Repayment of bank loans		(6,186)	(5,194)
Capital element of finance lease rental payments		(3,446)	(4,996)
Net cash inflow/(outflow) from financing activities			
Continuing operations		31,752	25,970
Discontinued operations		–	(7,770)
Total		31,752	18,200
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		23,052	(17,705)
Cash and cash equivalents at beginning of year		45,538	63,352
Effect on foreign exchange rate changes		(456)	(109)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>			
		68,134	45,538
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	22	48,430	24,572
Non-pledged time deposits with original maturity of less than three months when acquired	22	17,704	20,966
Time deposit with original maturity of less than three months when acquired, pledged as security for trade finance facilities	22	2,000	–
		68,134	45,538