

CONSOLIDATED CASH FLOW STATEMENT

SOUTH EAST GROUP LIMITED ANNUAL REPORT 2004

FOR THE YEAR ENDED 31 MARCH 2004

	2004 HK\$'000	2003 HK\$'000
OPERATING ACTIVITIES		
Profit/(loss) before taxation	15,345	(33,689)
Adjustments for:		
Share of losses of joint venture	–	663
Depreciation and amortisation	3,085	5,883
Impairment loss on property, plant and equipment	–	21,371
Impairment loss on long-term investment	890	–
(Gain)/loss on disposal of property, plant and equipment	(219)	178
Interest income	(894)	(382)
Dividend income	–	(24)
Interest expenses	335	539
Operating profit/(loss) before working capital changes	18,542	(5,461)
(Increase)/decrease in inventories	(18,420)	1,420
Decrease/(increase) in property under development	36,796	(12,283)
Movement in land acquired for development	–	24,122
Decrease in short-term investments	–	1,522
Increase in accounts receivable and prepayments	(10,171)	(7,003)
Increase in pledged and restricted bank deposits	(13,980)	(662)
Increase in accounts payable and accrued charges	8,738	6,193
Cash from operations	21,505	7,848
Income taxes paid	(3,309)	(122)
Interest received	894	382
Dividend income	–	24
Interest paid	(707)	(803)
NET CASH FROM OPERATING ACTIVITIES	18,383	7,329
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(602)	(380)
Proceeds from sale of property, plant and equipment	13,562	4,543
Acquisition of subsidiary, net of cash and cash equivalent acquired (Note 25)	–	2,541
Effect of share of loss of joint venture recognised previously upon the joint venture become a subsidiary	–	(1,267)
Increase in interest in a joint venture	(29,460)	–
Increase in long-term investment	(1,560)	(1,170)
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	(18,060)	4,267

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FINANCING ACTIVITIES		
(Repayment)/advance of bank loans	(28,405)	25,009
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	(28,405)	25,009
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(28,082)	36,605
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	56,728	19,410
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(13)	713
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	28,633	56,728
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	48,810	62,925
Bank deposit restricted (Note 28)	(6,160)	–
Bank deposits pledged (Note 19)	(14,017)	(6,197)
	28,633	56,728