

Consolidated Cash Flow Statement Year ended 31 March 2005

Sun East Technology (Holdings) Limited • 2005 Annual Report

	Notes	2005 HK\$'000	2004 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		34,216	40,346
Adjustments for:			
Finance costs	9	2,591	1,462
Share of profits/(losses) of a jointly-controlled entity and an associate		163	212
Interest income	5	(329)	(238)
Depreciation	6	15,655	14,637
Amortisation of technical know-how	6	5,499	5,398
Loss on disposal of fixed assets	6	30	48
Surplus on revaluation of an investment property	6	(720)	(100)
Deficit/(surplus) on revaluation of leasehold land and buildings	6	(41)	14
Provision/(write-back of provision) for doubtful debts	6	2,630	(6,147)
Foreseeable losses on construction contracts	6	4,466	–
Operating profit before working capital changes		64,160	55,632
Increase in inventories		(4,939)	(31,546)
Increase in construction contracts		(5,214)	(2,083)
Increase in accounts receivable		(39,035)	(54,071)
Decrease/(increase) in prepayments, deposits and other receivables		13,012	(15,290)
Increase/(decrease) in accounts and bills payables		(8,310)	40,153
Increase/(decrease) in accruals and other payables		(6,238)	15,880
Decrease in amounts due to directors		(143)	(2,902)
Cash generated from operations		13,293	5,773
Interest received		329	238
Interest paid		(2,363)	(1,327)
Interest element on finance lease rental payments		(228)	(135)
Dividends paid		(7,000)	(4,200)
Hong Kong profits tax paid		(1,412)	–
Overseas taxes paid		(623)	(377)
Net cash inflow/(outflow) from operating activities		1,996	(28)

Consolidated Cash Flow Statement (continued) Year ended 31 March 2005

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	Notes	2005 HK\$'000	2004 HK\$'000
Net cash inflow/(outflow) from operating activities		1,996	(28)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets	14, 31(a)	(10,538)	(11,134)
Proceeds from disposal of fixed assets		841	206
Proceeds from disposal of a subsidiary	31(b)	4,900	3,500
Investment in an associate		–	(1,000)
Investment in a jointly-controlled entity		(5,000)	–
Repayment from/(advance to) a jointly-controlled entity		244	(244)
Net cash outflow from investing activities		(9,553)	(8,672)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	28	20,000	23,180
Share issue expenses	28	(572)	(664)
New bank loans		14,151	18,868
Repayment of bank loans		(20,532)	(6,186)
Capital element of finance lease rental payments		(2,948)	(3,446)
Net cash inflow from financing activities		10,099	31,752
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,542	23,052
Cash and cash equivalents at beginning of year		68,134	45,538
Effect on foreign exchange rate changes		(82)	(456)
CASH AND CASH EQUIVALENTS AT END OF YEAR		70,594	68,134
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	22	51,351	48,430
Non-pledged time deposits with original maturity of less than three months when acquired	22	17,243	17,704
Time deposit with original maturity of less than three months when acquired, pledged as security for trade finance facilities	22	2,000	2,000
		70,594	68,134