

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2005

	2005 HK\$'000	2004 <i>HK\$'000</i>
OPERATING ACTIVITIES		
(Loss)/profit before taxation	(56,509)	15,345
Adjustments for:		
Depreciation	5,383	3,085
Impairment loss on long-term investment	876	890
Gain on disposals of property, plant and equipment	(92)	(219)
Loss on investment previously overcharged written back	(175)	–
Interest income	(357)	(894)
Interest expenses	270	335
Operating (loss)/profit before working capital changes	(50,604)	18,542
Decrease/(increase) in inventories	16,905	(18,420)
Decrease in properties under development	14,452	36,796
Increase in accounts receivable and prepayments	(18,019)	(10,171)
Decrease/(increase) in pledged and restricted bank deposits	14,017	(13,980)
(Decrease)/increase in accounts payable and accrued charges	(5,928)	8,738
Cash (used in)/from operations	(29,177)	21,505
Income taxes paid	(1,441)	(3,309)
Interest received	357	894
Interest paid	(2)	(707)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	(30,263)	18,383
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(100)	(602)
Proceeds from sale of property, plant and equipment	262	13,562
Increase in interest in a joint venture	23,469	(29,460)
Increase in long-term investment	–	(1,560)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	23,631	(18,060)

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FOR THE YEAR ENDED 31 MARCH 2005

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FINANCING ACTIVITIES		
Repayment of bank loans	(9,400)	(28,405)
NET CASH USED IN FINANCING ACTIVITIES	(9,400)	(28,405)
DECREASE IN CASH AND CASH EQUIVALENTS	(16,032)	(28,082)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	28,633	56,728
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(54)	(13)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	12,547	28,633
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	18,707	48,810
Bank deposit restricted (<i>Note 27</i>)	(6,160)	(6,160)
Bank deposits pledged (<i>Note 19</i>)	–	(14,017)
	12,547	28,633

The notes on pages 20 to 45 form an integral part of these financial statements.