

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2004

NOTES	2004 HK\$'000	2003 HK\$'000
<b>Operating activities</b>		
Profit from operations	5,537	48,733
Adjustments for:		
Loss on disposal of investments in securities	–	1,040
(Gain) loss on disposal of property, plant and equipment	(10)	259
Depreciation and amortisation	37,870	36,494
Allowance for inventories	9,601	2,000
Allowance for (reversal of) doubtful debts	32,543	(1,450)
Impairment on club membership	600	–
Impairment on deposit paid for acquisition of investment	3,831	–
Dividend income	–	(200)
Interest income	(4,024)	(8,230)
Operating cash flows before movements in working capital	85,948	78,646
Increase in inventories	(55,009)	(24,482)
Increase in debtors, deposits and prepayments	(87,516)	(28,219)
Decrease in bills receivable	227	4,653
Increase (decrease) in creditors and accrued charges	19,859	(23,320)
Increase in bills payable	7,583	13,013
Translation adjustment	(11)	72
<b>Cash (used in) generated from operations</b>	<b>(28,919)</b>	20,363
Hong Kong Profits Tax paid	(3,628)	–
Taxation in other jurisdictions paid	(4,742)	(5,989)
<b>Net cash (used in) from operating activities</b>	<b>(37,289)</b>	14,374
<b>Investing activities</b>		
Dividend received	–	200
Interest received	715	8,230
Purchase of property, plant and equipment	(22,557)	(11,156)
Proceeds from disposal of property, plant and equipment	16	941
Proceeds from disposal of investments in securities	–	4,000
Acquisition of a subsidiary	24 630	–
Proceeds from disposal of subsidiaries	25 –	4,990
Proceeds from partial disposal of an associate	–	552
Advances to jointly controlled entities	–	(10,272)
Refund of deposit paid for acquisition of investment	969	–
(Increase) decrease in pledged deposits	(12,866)	26,064
<b>Net cash (used in) from investing activities</b>	<b>(33,093)</b>	23,549

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For the year ended 31 March 2004

	2004 HK\$'000	2003 HK\$'000
<b>Financing activities</b>		
Interest paid on bank borrowings	(14,362)	(12,824)
Interest paid on finance leases	(701)	(545)
Interest paid on convertible bonds	–	(895)
Proceeds from issue of shares	43,970	–
Expenses incurred in connection with the issue of shares	(965)	–
Expenses incurred in connection with the capital reorganisation	–	(470)
Repayment of convertible bonds	–	(32,500)
Repayment of obligations under finance leases	(3,729)	(7,981)
New bank loans raised	143,287	79,073
Repayment of bank loans	(128,801)	(91,424)
New trust receipt loans raised	544,936	266,351
Repayment of trust receipt loans	(485,054)	(314,780)
New invoice financing loans raised	162,587	192,744
Repayment of invoice financing loans	(154,965)	(145,165)
<b>Net cash from (used in) financing activities</b>	<b>106,203</b>	<b>(68,416)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>35,821</b>	<b>(30,493)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>107,378</b>	<b>137,871</b>
<b>Effect of foreign exchange rate changes</b>	<b>256</b>	<b>–</b>
<b>Cash and cash equivalents at end of the year</b>	<b>143,455</b>	<b>107,378</b>
<b>Analysis of the balances of cash and cash equivalents</b>		
Being:		
Bank balances and cash	143,630	108,830
Bank overdrafts	(175)	(1,452)
	<b>143,455</b>	<b>107,378</b>