

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March, 2005

Note	2005 HK\$'000	2004 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the year	3,550	3,714
Adjustments for:		
Amortisation of prepaid rentals	2,239	2,239
Depreciation and amortisation of property, plant and equipment	11,444	11,702
Interest income	(14)	(10)
Interest expenses	2,768	1,777
Gain on disposal of property, plant and equipment	(3,107)	(2,014)
Gain on disposal of a subsidiary	(6,792)	–
Reversal of allowance for inventories included in cost of sales	(5,383)	(5,859)
Operating cash flow before movements in working capital	4,705	11,549
Decrease in inventories	24,728	45,569
Decrease in debtors, deposits and prepayments	6,014	3,979
Decrease in creditors and accrued charges	(16,678)	(38,586)
Decrease in bills payable	(1,186)	(270)
Cash generated from operations	17,583	22,241
Interest received	14	10
NET CASH GENERATED FROM OPERATING ACTIVITIES	17,597	22,251
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9,198)	(10,474)
Proceeds from disposal of property, plant and equipment	526	2,434
Advances to a related company	(2,000)	–
Disposal of a subsidiary	716	–
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NET CASH USED IN INVESTING ACTIVITIES	(9,956)	(8,040)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash outflow from trust receipt, import loans and export loans	(9,262)	(31,517)
Principal repayment for obligations under finance leases	(10,668)	(3,303)
Interest on bank borrowings paid	(1,615)	(1,653)
Finance leases charges paid	(1,102)	(340)
New bank loans raised	10,000	25,421
Repayment of bank loans	(9,166)	–
Issue of shares for cash upon exercise of share options	671	958
NET CASH USED IN FINANCING ACTIVITIES	(21,142)	(10,434)

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NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(13,501)	3,777
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	10,469	6,717
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	–	(25)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	(3,032)	10,469
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	5,573	14,217
Bank overdrafts	(8,605)	(3,748)
	(3,032)	10,469