

Consolidated Cash Flow Statement

Year ended 31 March 2005

	2005 HK\$	2004 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(19,125,425)	(14,791,648)
Finance costs	2,107,764	2,133,108
Interest income	(24,059)	(21,524)
Depreciation	3,734,504	3,446,202
Gain on disposal of investment property	(1,093,960)	–
Revaluation deficit/(surplus) of investment properties	1,144,990	(440,000)
Revaluation surplus of land and buildings	(125,200)	(6,400)
Provision for bad and doubtful debts	340,986	140,000
Provision for slow-moving and obsolete inventories	1,280,051	580,000
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES		
CAPITAL CHANGES	(11,760,349)	(8,960,262)
(Increase)/decrease in inventories	(6,842,302)	974,697
Decrease/(increase) in amounts due from associates	3,000,000	(3,000,000)
Increase in other receivables, deposits and prepayment	(1,026,537)	(797,540)
(Increase)/decrease in trade and bills receivables	(3,120,664)	573,453
Increase in trade payables	1,318,965	620,099
Increase/(decrease) in other payables and accruals	2,165,896	(916,705)
Increase in amounts due to associates	1,655,405	–
Increase/(decrease) in amounts due to directors	3,917,162	(85,000)
CASH USED IN OPERATIONS	(10,692,424)	(11,591,258)
Hong Kong profits tax refunded	137,300	–
Mainland China income tax paid	(216,000)	–
NET CASH USED IN OPERATING ACTIVITIES	(10,771,124)	(11,591,258)
INVESTING ACTIVITIES		
Purchase of fixed assets	(1,369,438)	(4,636,645)
Interest received	24,059	21,524
Net proceeds from disposal of investment property	7,093,960	–
Decrease/(increase) in pledged time deposits	4,500,000	(5,000,000)
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	10,248,581	(9,615,121)

Consolidated Cash Flow Statement

Year ended 31 March 2005

	2005 HK\$	2004 HK\$
FINANCING ACTIVITIES		
Proceeds from issue of share capital	661,500	2,593,500
Expenses paid for an open offer	(420,098)	–
New bank loans	–	26,321,302
Repayment of bank loans	(1,782,812)	(17,497,286)
Net repayment of other loans	(1,122,642)	–
Capital element of finance lease rental payments	(991,749)	(648,709)
Interest element of finance lease rental payments	(10,326)	(83,201)
Interest paid	(2,097,438)	(2,049,907)
Advance from related parties	12,548,849	1,721,698
Net addition/(repayment) of trust receipt loans	–	(524,249)
	<hr/>	<hr/>
NET CASH GENERATED FROM FINANCING ACTIVITIES	6,785,284	9,833,148
	<hr/>	<hr/>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	6,262,741	(11,373,231)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(2,564,296)	8,808,935
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR	3,698,445	(2,564,296)
	<hr/> <hr/>	<hr/> <hr/>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	4,199,721	1,690,698
Bank overdrafts	(501,276)	(4,254,994)
	<hr/>	<hr/>
	3,698,445	(2,564,296)
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 32 to 75 form an integral part of these financial statements.