

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March, 2005

(Expressed in Hong Kong dollars)

| | <i>Note</i> | 2005 | 2004 |
|---|-------------|-----------------|----------|
| | | \$'000 | \$'000 |
| OPERATING ACTIVITIES | | | |
| Profit from ordinary activities before taxation | | 6,342 | 21,763 |
| Adjustments for: | | | |
| - Depreciation | | 34,143 | 33,351 |
| - Interest expense | | 7,950 | 10,385 |
| - Interest income | | (232) | (145) |
| - Finance lease charges | | 23 | 127 |
| - Loss/(gain) on disposal of fixed assets | | 364 | (85) |
| - Exchange loss/(gain) | | 673 | (573) |
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| OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL | | 49,263 | 64,823 |
| (Increase)/decrease in inventories | | (19,202) | 11,199 |
| (Increase)/decrease in trade debtors, prepayments and deposits | | (11,078) | 9,868 |
| Increase/(decrease) in bills payable | | 17,472 | (9,397) |
| Decrease in trade creditors and accrued charges | | (8,137) | (3,792) |
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| CASH GENERATED FROM OPERATIONS | | 28,318 | 72,701 |
| Tax paid | | | |
| - Hong Kong Profits Tax paid | | (4,403) | (61) |
| - The People's Republic of China income tax paid | | (4,504) | (2,270) |
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| NET CASH FROM OPERATING ACTIVITIES | | 19,411 | 70,370 |
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| INVESTING ACTIVITIES | | | |
| Payment for purchase of fixed assets | | (14,970) | (34,873) |
| Interest received | | 232 | 145 |
| Proceeds from disposal of fixed assets | | 1,741 | 395 |
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| NET CASH USED IN INVESTING ACTIVITIES | | (12,997) | (34,333) |

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| | <i>Note</i> | 2005 | 2004 |
|---|-------------|-----------------|-----------|
| | | \$'000 | \$'000 |
| FINANCING ACTIVITIES | | | |
| Increase in pledged bank deposit | | — | (853) |
| Dividends paid | | (5,563) | (4,450) |
| Proceeds from new bank loans | | 157,449 | 230,457 |
| Repayment of bank loans | | (197,977) | (196,335) |
| Interest element of finance lease rental payments | | (23) | (127) |
| Interest paid on bank loans and overdrafts | | (7,950) | (10,439) |
| Capital element of finance lease rental payments | | (2,583) | (4,115) |
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| NET CASH (USED IN)/FROM FINANCING ACTIVITIES | | (56,647) | 14,138 |
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| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | | (50,233) | 50,175 |
| CASH AND CASH EQUIVALENTS AT 1ST APRIL | | 43,526 | (6,649) |
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| EFFECT OF FOREIGN EXCHANGE RATES CHANGES | | 363 | — |
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| CASH AND CASH EQUIVALENTS AT 31ST MARCH | <i>16</i> | (6,344) | 43,526 |

The notes on pages 24 to 52 form part of these financial statements.