

# Consolidated Cash Flow Statement

For the year ended 31st March, 2006

	2006 HK\$	2005 HK\$ (restated)
Cash flows from operating activities		
Profit before taxation	20,011,671	15,399,898
Adjustments for:		
Interest income	(1,330,019)	(281,012)
Interest on bank borrowings	1,937,968	1,598,338
Interest on obligations under finance leases	90,054	12,959
Amortisation of goodwill	—	188,679
(Gain) loss on disposal of property, plant and equipment	(307,031)	591,726
Depreciation and amortisation of property, plant and equipment	11,463,004	12,015,208
Amortisation of prepaid lease payments	17,394	17,394
Allowance for bad and doubtful debts	640,697	1,666,195
Impairment loss on goodwill	628,931	—
Gain arising from changes in fair value of investment properties	(1,000,000)	—
Reversal of impairment loss recognised in respect of property, plant and equipment	—	(1,400,000)
Share-based payment expenses	250,273	102,358
Surplus on revaluation of investment properties	—	(950,000)
Operating cash flows before movements in working capital	32,402,942	28,961,743
Increase in inventories	(1,062,854)	(24,253,945)
Increase in debtors and prepayments	(5,065,031)	(12,607,996)
(Decrease) increase in creditors and accrued charges	(5,587,028)	22,569,579
Net cash generated from operations	20,688,029	14,669,381
Mainland China profits tax paid	(802,281)	—
Hong Kong Profits Tax paid	(1,596,557)	(10,213,410)
Net cash from operating activities	18,289,191	4,455,971
Cash flows from investing activities		
Purchases of property, plant and equipment	(5,814,367)	(8,494,312)
Interest received	1,330,019	281,012
Increase in pledged bank deposits	(5,000,000)	—
Proceeds from disposal of property, plant and equipment	11,514,932	962,263
Net proceeds received from disposal of investment properties	7,500,000	—
Net cash from (used in) investing activities	9,530,584	(7,251,037)

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For the year ended 31st March, 2006

	2006 HK\$	2005 HK\$ (restated)
Cash flows from financing activities		
Dividends paid	—	(11,141,168)
Principal repayments for obligations under finance leases	(893,108)	(147,233)
Interest paid on bank borrowings	(1,937,968)	(1,598,338)
Interest paid on obligations under finance leases	(90,054)	(12,959)
Net cash outflow in trust receipts and export loans	(396,215)	(315,952)
Repayment of bank loans	(5,123,426)	(593,512)
New bank loans raised	7,335,250	5,883,222
Net cash used in financing activities	(1,105,521)	(7,925,940)
Net increase (decrease) in cash and cash equivalents	26,714,254	(10,721,006)
Effect of foreign exchange rate changes	(28,205)	—
Cash and cash equivalents at beginning of the year	35,272,848	45,993,854
Cash and cash equivalents at end of the year	61,958,897	35,272,848
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	61,958,897	35,272,848