

**CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31st March, 2006

	2006 HK\$'000	2005 HK\$'000 (restated)
<b>Operating activities</b>		
Profit/(loss) from operations	3,618	(27,386)
Adjustments for:		
Provision for/(write back of) long service payments	27	(88)
Interest income	(300)	(228)
Provision for inventories	787	4,076
Impairment loss on property, plant and equipment	–	836
Loss/(gain) on disposal of property, plant and equipment	459	(8)
Depreciation and amortisation of property, plant and equipment	15,992	13,225
Amortisation of prepaid land premiums	179	134
Exchange realignment	(262)	(83)
Operating profit/(loss) before working capital changes	20,500	(9,522)
Movements in working capital elements:		
Inventories	(3,740)	(8,084)
Trade debtors	(4,248)	598
Other debtors, prepayments and deposits	(4,286)	11,016
Amount due from an associate	1,140	(224)
Trade creditors	(5,000)	3,751
Bills payable	172	906
Other creditors and accrued charges	7,790	747
Cash generated from/(used in) operations	12,328	(812)
Interest income	300	228
Hong Kong Profits Tax refunded	–	3
<b>Net cash generated from/(used in) operating activities</b>	<b>12,628</b>	<b>(581)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(36,533)	(29,048)
Proceeds from disposal of property, plant and equipment	299	26
<b>Net cash used in investing activities</b>	<b>(36,234)</b>	<b>(29,022)</b>
<b>Financing activities</b>		
New bank borrowings raised	234,869	179,775
Repayments of bank borrowings	(220,500)	(153,075)
Interest paid	(4,094)	(2,233)
Repayment of obligations under a finance leases	(2,614)	(1,259)
Advances from directors	17,000	–
<b>Net cash generated from financing activities</b>	<b>24,661</b>	<b>23,208</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,055</b>	<b>(6,395)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>9,317</b>	<b>15,712</b>
<b>Cash and cash equivalents at end of the year,</b> represented by bank balances and cash	<b>10,372</b>	<b>9,317</b>