

# CONSOLIDATED CASH FLOW STATEMENT

*For the year ended 31st March, 2006*

*(Expressed in Hong Kong dollars)*

	<i>Note</i>	<b>2006</b>	2005
		<b>\$'000</b>	\$'000
<b>OPERATING ACTIVITIES</b>			
(Loss)/profit before taxation		<b>(21,249)</b>	6,342
Adjustments for:			
- Depreciation and amortisation		<b>37,209</b>	34,143
- Interest expense		<b>15,875</b>	7,950
- Interest income		<b>(338)</b>	(232)
- Finance lease charges		<b>4</b>	23
- Loss on disposal of fixed assets		<b>233</b>	364
- Exchange loss		<b>701</b>	673
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<b>OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL</b>		<b>32,435</b>	49,263
Decrease/(increase) in inventories		<b>28,280</b>	(19,202)
Decrease/(increase) in trade debtors, prepayments and deposits		<b>19,691</b>	(11,078)
Increase in bills payable		<b>11,744</b>	17,472
Increase/(decrease) in trade creditors and accrued charges		<b>4,229</b>	(8,137)
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<b>CASH GENERATED FROM OPERATIONS</b>		<b>96,379</b>	28,318
Tax paid			
- Hong Kong Profits Tax paid		<b>(954)</b>	(4,403)
- The People's Republic of China income tax paid		<b>(3,808)</b>	(4,504)
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<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		<b>91,617</b>	19,411
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<b>INVESTING ACTIVITIES</b>			
Payment for purchase of fixed assets		<b>(88,661)</b>	(14,970)
Interest received		<b>338</b>	232
Proceeds from disposal of fixed assets		<b>117</b>	1,741
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<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(88,206)</b>	(12,997)

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*For the year ended 31st March, 2006*

*(Expressed in Hong Kong dollars)*

	<i>Note</i>	<b>2006</b>	2005
		<b>\$'000</b>	\$'000
<b>FINANCING ACTIVITIES</b>			
Dividends paid		—	(5,563)
Proceeds from new bank loans		<b>93,808</b>	157,449
Repayment of bank loans		<b>(107,872)</b>	(197,977)
Interest element of finance lease rentals paid		<b>(4)</b>	(23)
Interest on bank loans and overdrafts paid		<b>(16,208)</b>	(7,950)
Capital element of finance lease rentals paid		<b>(433)</b>	(2,583)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(30,709)</b>	(56,647)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(27,298)</b>	(50,233)
<b>CASH AND CASH EQUIVALENTS AT 1ST APRIL</b>		<b>(6,344)</b>	43,526
<b>EFFECT OF FOREIGN EXCHANGE RATES CHANGES</b>		<b>821</b>	363
<b>CASH AND CASH EQUIVALENTS AT 31ST MARCH</b>	<i>17</i>	<b>(32,821)</b>	(6,344)

*The notes on pages 30 to 71 form part of these financial statements.*