

Consolidated Cash Flow Statement

For the year ended 31 March 2006

	2006 HK\$'000	2005 HK\$'000 (Restated)
Cash flows from operating activities		
Profit before income tax	24,605	39,880
Adjustments for:		
Interest income	(362)	(488)
Interest expense	3,757	3,652
Excess of the Group's interest in the net fair value of acquiree's identifiable assets and liabilities over cost of acquisition	(4,986)	–
Service fee	–	234
Depreciation of property, plant and equipment	7,999	5,880
Amortisation of land use rights	567	383
Amortisation of intangible assets	206	17
Amortisation of goodwill	–	38
(Gain)/Loss on disposal of property, plant and equipment	(1,707)	84
Gain on disposal of land use rights	(775)	–
Impairment loss on property, plant and equipment written back	–	(804)
Operating profit before changes in working capital	29,304	48,876
Decrease/(Increase) in inventories	1,235	(11,142)
Increase in accounts and bills receivable	(3,123)	(20,817)
Decrease/(Increase) in prepayments and other receivables	4,434	(4,934)
Decrease in amounts due from related companies	10,671	8,412
Increase/(Decrease) in accounts and bills payable	123	(184)
Increase in amount due to a related company	428	–
(Decrease)/Increase in accrued expense and other payables	(19,946)	2,404
Net cash inflow from operations	23,126	22,615
Tax paid		
Hong Kong profits tax paid	(3,736)	(5,627)
Taxation outside Hong Kong paid	(1,566)	(1,138)
Taxation outside Hong Kong refunded	1,481	–
Net cash generated from operating activities	19,305	15,850

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	Note	2006 HK\$'000	2005 HK\$'000 (Restated)
Cash flows from investment activities			
Payment for purchase of property, plant and equipment		(2,943)	(12,399)
Proceeds from disposal of property, plant and equipment		5,036	20
Proceeds from disposal of land use rights		3,387	–
Payment for construction in progress		(9,295)	(12,585)
Payment for acquisition of a subsidiary, net of cash acquired	35	(5,586)	–
Payment for acquisition of intangible assets		–	(613)
Payment for further acquisition of a subsidiary		–	(5,984)
Interest received		362	488
Net cash used in investing activities		(9,039)	(31,073)
Cash flows from financing activities			
Proceeds from bank loans		37,914	42,453
Repayment of bank loans		(63,661)	(46,796)
Interest paid		(3,757)	(4,579)
Dividends paid		(7,500)	(6,500)
Dividends paid to minority shareholders		(1,867)	–
Net cash used in financing activities		(38,871)	(15,422)
Net decrease in cash		(28,605)	(30,645)
Translation difference		(339)	–
Cash at the beginning of the year		56,682	87,327
Cash at the end of the year		27,738	56,682