

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2006

	2006 HK\$'000	2005 HK\$'000 (restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(60,075)	679
Adjustments for:		
Amortisation of land lease premium	142	176
Finance costs	2,334	1,832
Share of loss/(profit) of an associate	2,874	(629)
Interest income	(120)	(40)
Loss/(gain) on disposal of property, plant and equipment	2,162	(1,533)
Depreciation	10,634	10,990
Impairment losses on note receivable	755	–
Write-down and write off of inventories	13,546	–
Impairment losses on trade and other receivables	968	–
Surplus on revaluation of buildings	–	(428)
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Operating (loss)/profit before changes in working capital	(26,780)	11,047
Decrease/(increase) in inventories	15,174	(3,842)
(Increase)/decrease in trade receivables	(599)	10,251
(Increase)/decrease in prepayments, deposits and other receivables	(2,454)	1,829
Increase in due to a director	6,000	–
Decrease in trade payables	(10,316)	(7,948)
Increase/(decrease) in other payables and accruals	6,643	(2,876)
Increase in factoring loans, secured	6,114	–
Increase/(decrease) in packing loans, secured	2,679	(12,083)
(Decrease)/increase in bills discounted, secured	(5,934)	9,304
Increase in trust receipt loans, secured	1,448	4,622
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Cash (used in)/generated from operations	(8,025)	10,304
Overseas taxes refunded/(paid)	176	(304)
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NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	(7,849)	10,000
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from an associate	–	4,560
Purchases of property, plant and equipment	(4,732)	(3,462)
Proceeds from disposal of property, plant and equipment	2,404	2,196
Decrease in an amount due from an associate	–	20,552
Decrease in an amount due to an associate	–	(22,760)
Increase in mould deposits	(6,701)	(6,575)
Settlement of note receivable	4,500	–
(Increase)/decrease in pledged deposits	(6,319)	1,637
Interest received	120	40
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NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(10,728)	(3,812)

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2006

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CASH FLOWS FROM FINANCING ACTIVITIES		
Placement of shares	9,151	–
Rights issue	21,961	–
Repayment of other loans	(5,475)	(3,900)
Interest paid	(2,216)	(1,756)
Interest element on finance lease payments	(118)	(76)
Capital element of finance lease payments	(1,206)	(769)
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NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	22,097	(6,501)
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NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,520	(313)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	8,826	8,798
EFFECT OF FOREIGN EXCHANGE RATE CHANGES, NET	(656)	341
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CASH AND CASH EQUIVALENTS AT END OF YEAR	11,690	8,826
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ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	12,242	8,826
Bank overdrafts	(552)	–
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	11,690	8,826
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The notes on pages 39 to 85 form an integral part of these financial statements.