

# Consolidated Cash Flow Statement

For the year ended 31st March, 2006

| Note  | 2006<br>HK\$'000 | 2005<br>HK\$'000<br>(Restated) |
|---|------------------|--------------------------------|
| <b>OPERATING ACTIVITIES</b>   |                  |                                |
| Profit before taxation  | 40,828           | 1,892                          |
| Adjustments for:  |                  |                                |
| Share of result of an associate                                     | –                | 826                            |
| Interest income   | (1,653)          | (269)                          |
| Interest expenses   | 3,906            | 1                              |
| Depreciation of property, plant and equipment                       | 15,801           | 4,346                          |
| Amortisation of prepaid lease payments                              | 251              | 253                            |
| Allowance for doubtful debts (written back) provided                | (1,736)          | 955                            |
| (Gain) loss on disposal of property, plant and equipment            | (351)            | 450                            |
| Written-down of inventories   | 1,000            | 518                            |
| Impairment loss on investment securities                            | –                | 560                            |
| Impairment loss on available-for-sale investments                   | 2,466            | –                              |
| Decrease in fair value of derivative financial instruments          | 2,882            | –                              |
| Impairment loss on amount due from an associate                     | 1,745            | –                              |
| Reversal of impairment loss on prepaid lease payments               | (107)            | –                              |
| Increase in fair value of investment properties                     | (190)            | –                              |
|   | <hr/>            | <hr/>                          |
| Operating cash flows before movements in working capital            | 64,842           | 9,532                          |
| (Increase) decrease in inventories                                  | (8,475)          | 11,430                         |
| (Increase) decrease in debtors, deposits and prepayments            | (9,781)          | 5,305                          |
| Decrease of properties for sale                                     | 1,135            | –                              |
| Increase in investments at fair value through profit or loss        | (12,052)         | –                              |
| Decrease (increase) in amounts due from customers for contract work | 597              | (501)                          |
| Decrease in investments in securities                               | –                | 41,954                         |
| Increase (decrease) in bills payable                                | 1,186            | (1,026)                        |
| Increase (decrease) in creditors, deposits and accruals             | 4,120            | (6,720)                        |
| Increase (decrease) in amounts due to customers for contract work   | 65               | (1,123)                        |
| (Decrease) increase in deferred service income                      | (394)            | 2,085                          |
| Increase in amount due from ultimate holding company                | (1,045)          | (466)                          |
| Exchange difference   | 117              | (394)                          |
|   | <hr/>            | <hr/>                          |
| Cash from operations  | 40,315           | 60,076                         |
| Profits tax paid  | (6,636)          | (1,184)                        |
| Profits tax refunded  | 374              | 237                            |
| Interest paid   | (3,906)          | (1)                            |
|   | <hr/>            | <hr/>                          |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>                           | <b>30,147</b>    | <b>59,128</b>                  |

# Consolidated Cash Flow Statement

For the year ended 31st March, 2006

|   | Note | 2006<br>HK\$'000  | 2005<br>HK\$'000<br>(Restated) |
|---|------|-------------------|--------------------------------|
| <b>INVESTING ACTIVITIES</b>                             |      |                   |                                |
| Interest received                                       |      | 1,280             | 269                            |
| (Advance to) repayment from an associate                |      | (1,366)           | 1,034                          |
| Purchase of property, plant and equipment               |      | (24,490)          | (6,063)                        |
| Proceeds from disposal of property, plant and equipment |      | 4,065             | 1,600                          |
| Purchase of available-for-sale investments              |      | (8,046)           | –                              |
| Acquisition of subsidiaries                             | 34   | (204,531)         | –                              |
| Withdrawal of fixed deposit                             |      | –                 | 7,800                          |
|   |      | <u>          </u> | <u>          </u>              |
| <b>NET CASH (USED IN) FROM INVESTING ACTIVITIES</b>     |      | <b>(233,088)</b>  | <b>4,640</b>                   |
| <b>FINANCING ACTIVITIES</b>                             |      |                   |                                |
| Dividends paid  |      | (6,854)           | (6,855)                        |
| New bank loans raised                                   |      | 140,000           | –                              |
| Repayments of bank loans                                |      | (39,000)          | –                              |
|   |      | <u>          </u> | <u>          </u>              |
| <b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>     |      | <b>94,146</b>     | <b>(6,855)</b>                 |
| Net (decrease) increase in cash and cash equivalents    |      | <b>(108,795)</b>  | 56,913                         |
| Cash and cash equivalents at beginning of the year      |      | <b>181,330</b>    | 124,335                        |
| Effect of changes in foreign exchange rates             |      | <b>(136)</b>      | 82                             |
|   |      | <u>          </u> | <u>          </u>              |
| Cash and cash equivalents at end of the year            |      | <b>72,399</b>     | <b>181,330</b>                 |
|   |      | <u>          </u> | <u>          </u>              |
| Analysis of the balance of cash and cash equivalents    |      |                   |                                |
| Bank balances and cash equivalents                      |      | <b>72,399</b>     | 181,451                        |
| Bank overdrafts   |      | –                 | (121)                          |
|   |      | <u>          </u> | <u>          </u>              |
|   |      | <b>72,399</b>     | <b>181,330</b>                 |
|   |      | <u>          </u> | <u>          </u>              |