

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2006  
(Expressed in Hong Kong dollars)

	2006 \$'000	2005 \$'000 (Restated)
<b>Cash flows from operating activities</b>		
(Loss)/profit from ordinary activities before taxation	(5,112)	9,674
Adjustments for:		
Interest income	(171)	(182)
Interest expense	93	546
Share-based payment expenses	1,646	-
Depreciation on property, plant and equipment	8,751	8,648
Amortisation on interests in leasehold land held for own use under operating leases	93	65
Reversal of write-down of inventories to net realisable value	(7,593)	(7,908)
Reversal of impairment on trade and other receivables	(278)	(530)
Net gain on disposals of property, plant and equipment and construction in progress	(3,656)	(2,078)
Operating (loss)/profit before working capital changes	(6,227)	8,235
Decrease/(increase) in inventories	18,637	(2,986)
(Increase)/decrease in trade and other receivables	(22,435)	7,814
(Decrease)/increase in trade and other payables	(20,130)	2,530
Cash (used in)/generated from operations	(30,155)	15,593
Income tax paid outside Hong Kong	(469)	(472)
Net cash (used in)/from operating activities	(30,624)	15,121
<b>Cash flows from investing activities</b>		
Payment for purchase of property, plant and equipment	(3,739)	(2,935)
Payment for interests in leasehold land held for own use under operating leases	-	(707)
Payment for construction in progress	(4,047)	(4,745)
Net proceeds from sale of property, plant and equipment	55	9,769
Net proceeds from sale of construction in progress	4,559	-
Interest received	171	182
Net cash (used in)/from investing activities	(3,001)	1,564
<b>Cash flows from financing activities</b>		
Proceeds from bank borrowings	5,820	8,907
Repayment of bank borrowings	(8,907)	(9,896)
Net proceeds from issuance of new shares	-	8,303
Interest paid	(93)	(546)
Net cash (used in)/from financing activities	(3,180)	6,768
<b>Net (decrease)/increase in cash and cash equivalents</b>	(36,805)	23,453
<b>Effect of foreign exchange changes</b>	176	-
<b>Cash and cash equivalents at beginning of year</b>	41,357	17,904
<b>Cash and cash equivalents at end of year</b>	4,728	41,357
<b>Analysis of the balances of cash and cash equivalents:</b>		
Cash at banks and in hand	4,728	41,357