



# CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2006

	Notes	2006 HK\$'000	2005 HK\$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss)/profit before tax		(9,886)	5,707
Adjustments for:			
Dividend income from listed investments	4	(59)	–
Finance costs	6	1,044	29
Interest income	4	(399)	(202)
Fair value gain for financial asset at fair value through profit or loss	5	(68)	–
Depreciation	5	6,189	4,788
Recognition of prepaid land lease payments	5	551	107
Loss/(gain) on disposal of items of property, plant and equipment, net	4,5	(2,713)	414
Amortisation of goodwill	5	–	273
Goodwill impairment	5	1,093	–
Write off of inventories	5	314	–
		<hr/>	<hr/>
Operating (loss)/profit before working capital changes		(3,934)	11,116
Increase in inventories		(5,916)	(1,886)
Decrease/(increase) in trade and bills receivables		553	(2,725)
Increase in prepayments, deposits and other receivables		(452)	(958)
Increase in amount due to a director		20	101
Increase/(decrease) in trade payables		1,474	(1,173)
Decrease in other payables and accruals		(720)	(5)
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Cash generated from/(used in) operations		(8,975)	4,470
Hong Kong profits tax refunded/(paid)		(41)	1,181
		<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities		<hr/> (9,016) <hr/>	<hr/> 5,651 <hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Deposit for acquisition of items of property, plant and equipment		(38)	(3,138)
Interest received		399	202
Purchases of items of property, plant and equipment		(16,692)	(2,144)
Increase in pledged time deposits		(134)	(24)
Proceeds from disposal of items of property, plant and equipment		7,973	1
Prepaid land lease payments		(18,609)	(68)
Purchases of financial assets at fair value through profit or loss		(7,334)	(999)
Proceeds from disposal of financial assets at fair value through profit or loss		8,661	–
Dividend received from listed investments		59	–
		<hr/>	<hr/>
Net cash outflow from investing activities		<hr/> (25,715) <hr/>	<hr/> (6,170) <hr/>

# CONSOLIDATED CASH FLOW STATEMENT *(Continued)*

Year ended 31 March 2006

	Notes	2006 HK\$'000	2005 HK\$'000 (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital element of finance lease rental payments		(267)	(215)
New bank loans		32,117	–
Repayment of bank loans		(6,974)	–
Interest paid		(1,044)	(29)
		<u>23,832</u>	<u>(244)</u>
Net cash inflow/(outflow) from financing activities			
		<u>23,832</u>	<u>(244)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(10,899)	(763)
Cash and cash equivalents at beginning of year		25,793	26,608
Effect of initial adoption of HKAS 39		(780)	–
Effect of foreign exchange rate changes, net		163	(52)
		<u>14,277</u>	<u>25,793</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		<u>14,277</u>	<u>25,793</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	19	13,412	16,765
Non-pledged time deposits with original maturity of less than three months when acquired	19	865	9,028
		<u>14,277</u>	<u>25,793</u>