

# Consolidated Cash Flow Statement

Year ended 31 March 2006

	Notes	2006 HK\$'000	2005 HK\$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before tax		<b>(38,184)</b>	34,199
Adjustments for:			
Finance costs	5	<b>1,975</b>	2,591
Share of (losses)/profits of a jointly-controlled entity and an associate		<b>(972)</b>	180
Interest income	4	<b>(819)</b>	(329)
Depreciation	6	<b>15,162</b>	15,499
Amortisation of technical know-how	6	<b>5,500</b>	5,499
Recognition of prepaid land lease payment	6	<b>158</b>	156
Loss on disposal of items of property, plant and equipment	6	<b>2,477</b>	30
Changes in fair value of an investment property	6	<b>(80)</b>	(720)
Changes in fair value of leasehold land and buildings	6	<b>(12)</b>	(41)
Provision for doubtful debts	6	<b>7,458</b>	2,630
Provision for obsolete inventories	6	<b>3,838</b>	–
Foreseeable losses on construction contracts	6	<b>–</b>	4,466
Equity-settled share option expense	6	<b>4,992</b>	–
Operating profit before working capital changes		<b>1,493</b>	64,160
Increase in inventories		<b>(13,720)</b>	(4,939)
Decrease/(increase) in construction contracts		<b>2,831</b>	(5,214)
Decrease/(increase) in accounts receivable		<b>49,957</b>	(39,035)
Decrease/(increase) in prepayments, deposits and other receivables		<b>(12,654)</b>	13,012
Decrease in accounts and bills payables		<b>(3,596)</b>	(8,310)
Increase/(decrease) in other payables and accruals		<b>3,714</b>	(6,238)
Increase/(decrease) in an amount due to a director		<b>212</b>	(143)
Cash generated from operations		<b>28,237</b>	13,293
Interest paid		<b>(1,836)</b>	(2,363)
Interest element on finance lease rental payments		<b>(139)</b>	(228)
Dividend paid		<b>(9,375)</b>	(7,000)
Hong Kong profits tax paid		<b>(146)</b>	(1,412)
Overseas taxes paid		<b>(705)</b>	(623)
Net cash inflow from operating activities – page 33		<b>16,036</b>	1,667

# Consolidated Cash Flow Statement (continued)

Year ended 31 March 2006

	Notes	2006 HK\$'000	2005 HK\$'000 (Restated)
Net cash inflow from operating activities – page 32		<b>16,036</b>	1,667
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		<b>819</b>	329
Purchases of items of property, plant and equipment	13, 32	<b>(6,970)</b>	(10,538)
Proceeds from disposal of items of property, plant and equipment		<b>1,873</b>	841
Proceeds from disposal of a subsidiary	32(b)	<b>2,250</b>	4,900
Investment in a jointly-controlled entity		–	(5,000)
Repayment from a jointly-controlled entity		–	244
Net cash outflow from investing activities		<b>(2,028)</b>	(9,224)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares	29	–	20,000
Share issue expenses	29	–	(572)
New bank loans		<b>28,262</b>	14,151
Repayment of bank loans		<b>(37,608)</b>	(20,532)
Capital element of finance lease rental payments		<b>(1,951)</b>	(2,948)
Net cash inflow/(outflow) from financing activities		<b>(11,297)</b>	10,099
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>2,711</b>	2,542
Cash and cash equivalents at beginning of year		<b>70,594</b>	68,134
Effect on foreign exchange rate changes, net		<b>(563)</b>	(82)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>72,742</b>	70,594
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	23	<b>68,707</b>	51,351
Non-pledged time deposits with original maturity of less than three months when acquired	23	<b>2,035</b>	17,243
Time deposit pledged as security for trade finance facilities	23	–	2,000
Cash and bank balances pledged as security for trade finance facilities	23	<b>2,000</b>	–
		<b>72,742</b>	70,594