

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2006

	2006 HK\$'000	2005 HK\$'000 (restated)
Operating activities		
Loss before taxation	(6,763)	(6,365)
Adjustments for:		
Depreciation	74	6
Exchange gain, net	(22)	–
Finance costs	6,467	5,949
Interest income	(45)	(3)
Operating cash flows before movements in working capital	(289)	(413)
(Increase)/decrease in inventories	(717)	2,673
(Increase)/decrease in trade and other receivables	(1,364)	2,505
Decrease in trade and other payables	(2,402)	(3,317)
(Decrease)/increase in amounts due to related companies	(89)	280
Net cash (used in)/generated from operations	(4,861)	1,728
Interest received	45	3
Net cash (used in)/generated from operating activities	(4,816)	1,731
Cash used in investing activities		
Purchase of property, plant and equipment	(469)	(30)
Cash used in financing activities		
Repayment of amount due to a former shareholder	–	(2,875)
Net decrease in cash and cash equivalents	(5,285)	(1,174)
Cash and cash equivalents at beginning of the year	9,234	10,408
Effects of exchange rate difference on cash and cash equivalents	23	–
Cash and cash equivalents at end of the year	3,972	9,234
Analysis of the balances of cash and cash equivalents		
Cash at bank and in hand	3,972	9,234