

CONSOLIDATED CASH FLOW STATEMENT For the year ended 31 March 2006

	2006 HK\$'000	2005 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit from continuing and discontinued operations before taxation	(22,787)	4,633
Adjustments for:		
Depreciation	1,696	1,066
Interest income	(38)	(81)
Interest expenses	1,929	1,242
Gain on disposal of subsidiaries	(2,400)	–
Gain on disposal of subsidiaries attributable to discontinued operations	–	(21,574)
Loss on disposal of property, plant and equipment	47	174
Amortisation of goodwill arising on acquisition of subsidiaries	–	1,843
Impairment loss of goodwill arising on acquisition of subsidiaries	6,433	–
Amortisation of goodwill arising on acquisition of associates	–	192
Impairment loss of goodwill arising on acquisition of associates	–	1,231
Write down of inventories to net realisable value	–	9,186
(Write back)/Provision for loan receivables	(211)	21
Provision for bad and doubtful debts, net	84	215
Provision for long service payments	–	44
Write back of provision for slow-moving inventories	(5,195)	–
Write back of amounts due to other payables	–	(2,721)
Unrealised loss on other investments, net	–	30
Unrealised gain on held-for-trading investments	(13)	–
Share of results of associates	–	(14)
Operating loss before working capital changes	(20,455)	(4,513)
Decrease/(Increase) in inventories	7,850	(1,943)
(Increase)/Decrease in trade and other receivables, deposits and prepayments	(1,549)	4,852
Decrease/(Increase) in other investments	1,134	(1,164)
Increase in held-for-trading investments	(31)	–
Increase/(Decrease) in trade and other payables, accruals and deposits received	4,369	(3,369)
Decrease in provision for long service payments	–	(44)
Cash used in operations	(8,682)	(6,181)
Interest paid	(2,144)	(975)
Net cash used in operating activities	(10,826)	(7,156)

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CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	38	81
Purchase of property, plant and equipment	(2,847)	(1,288)
Proceeds from disposal of subsidiaries	598	–
Proceeds from disposal of subsidiaries attributable to discontinued operations	–	34,302
Acquisition of available-for-sale financial assets	(15,653)	–
Decrease in loan receivables	706	16
Decrease/(Increase) in pledged bank deposits	989	(2,725)
Net cash (used in)/generated from investing activities	(16,169)	30,386
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from placing of new shares, net of expenses	–	6,767
Proceeds from open offer, net of expenses	29,355	–
New short term loans	17,650	7,700
Repayment of short term loans	(24,641)	(36,783)
Net cash generated from/(used in) financing activities	22,364	(22,316)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(4,631)	914
CASH AND CASH EQUIVALENTS AS AT 1 APRIL	19,252	18,338
CASH AND CASH EQUIVALENTS AS AT 31 MARCH	14,621	19,252
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	14,621	19,252

The notes on pages 26 to 83 form part of these financial statements.