

Consolidated Cash Flow Statement

For the year ended 31st March 2006

Notes	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES		
Loss for the year from continuing and discontinued operations	(6,729)	(6,957)
Less: Taxation	28	—
	(6,701)	(6,957)
Adjustments for:		
Finance costs	797	689
Interest income	(127)	(14)
Gain on disposal of subsidiaries	(451)	—
Loss on disposal of property, plant and equipment	233	—
Reversal of impairment loss recognised in respect of leasehold properties	—	(3,286)
Allowance for properties held for sale	—	4,150
(Reversal of) impairment loss recognised in respect of trade receivables	(361)	468
Release of prepaid lease payments	281	141
Depreciation of investment properties and property, plant and equipment	432	329
Operating cash flows before movements in working capital	(5,897)	(4,480)
Increase in inventories	(3,973)	(996)
(Increase) decrease in trade and other receivables	(1,939)	680
Decrease in amounts due from related companies	—	354
Increase in trade and other payables	4,297	1,926
Decrease in amount due to ultimate holding company	—	(18)
Net cash used in operations	(7,512)	(2,534)
Interest income received	127	14
NET CASH USED IN OPERATING ACTIVITIES	(7,385)	(2,520)

Consolidated Cash Flow Statement

	Notes	2006 HK\$'000	2005 HK\$'000
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(661)	(478)
Cash outflow on disposal of subsidiaries	33	(1)	–
Acquisition of a subsidiary	34	327	–
Proceeds from disposal of property, plant and equipment		5	–
NET CASH USED IN INVESTING ACTIVITIES		(330)	(478)
FINANCING ACTIVITIES			
Proceeds from issue of shares		11,429	–
Advance from ultimate holding company		214	–
(Repayment of) advance from former ultimate holding company		(2,560)	2,560
Share issue expenses		(263)	–
Repayment of bank borrowings		(87)	(1,088)
Finance costs paid		–	(689)
Issuance of convertible note		–	8,150
Repayment of convertible note		–	(7,000)
NET CASH FROM FINANCING ACTIVITIES		8,733	1,933
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		1,018	(1,065)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		8,194	9,259
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash		9,212	8,194