

# Consolidated Cash Flow Statement

for the year ended 31 March 2006 (in HK Dollars)

	2006 HK\$'000	2005 HK\$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	17,948	3,094
Adjustments for:		
Interest income	(7)	(2)
Depreciation	2,117	6,014
Amortisation of goodwill	–	1,179
Sales tax	–	3,737
Provision for impairment loss on trade receivables	–	3,773
Gain on disposal of property, plant and equipment	(772)	(62)
Gain on disposal of subsidiaries	(18,638)	(112)
Finance costs	3,591	6,012
Operating profit before working capital changes	4,239	23,633
Decrease in inventories	6,072	14,103
Increase in financial assets at fair value through profit or loss	(153)	–
(Increase)/decrease in trade receivables	(7,305)	860
Increase in prepayments, deposits and other receivables	(4,691)	(13,056)
Increase/(decrease) in trade and bills payables	2,114	(42,127)
(Decrease)/increase in amount due to holding company	(8,024)	3,543
(Decrease)/increase in other payables and accruals	(13,679)	16,721
Cash (used in)/generated from operations	(21,427)	3,677
Interest received	7	2
<i>Net cash (outflow)/inflow from operating activities</i>	<b>(21,420)</b>	3,679
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sales proceeds from disposal of property plant and equipment	1,856	440
Purchases of property, plant and equipment	(33)	(32,575)
Purchase of a subsidiary, net	–	(34,936)
Proceed from disposal of subsidiaries, net	50,716	(28)
Decrease in pledged bank deposits	–	8,207
<i>Net cash inflow/(outflow) from investing activities</i>	<b>52,539</b>	(58,892)

# Consolidated Cash Flow Statement (cont'd)

for the year ended 31 March 2006 (in HK Dollars)

	<b>2006</b> <b>HK\$'000</b>	2005 HK\$'000 (Restated)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of convertible bond	-	26,813
Repayment of bank loans	-	(943)
New finance leases	-	2,120
Capital element of finance lease payments	<b>(1,856)</b>	(606)
Redemption of convertible bond	<b>(26,813)</b>	-
Finance costs paid	<b>(2,668)</b>	(6,012)
<i>Net cash (outflow)/inflow from financing activities</i>	<b>(31,337)</b>	21,372
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents at beginning of year	<b>6,246</b>	40,087
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		
	<b>6,028</b>	6,246
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	<b>6,028</b>	6,246

The accompanying notes form an integral part of these financial statements.