

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2006

	2006 HK\$'000	2005 HK\$'000 (Restated)
OPERATING ACTIVITIES		
Loss before taxation	(38,607)	(7,428)
Adjustments for:		
Interest income	(133)	(6)
Depreciation	1,966	1,464
Amortisation of deferred expenditure	—	75
Finance costs	3,651	2,183
Impairment loss on deferred expenditure	—	1,275
Share of results of associates	915	(595)
Gain on disposal of available-for-sale financial assets	—	(122)
Gain on reversal of revaluation deficit	—	(484)
Impairment of inventories	713	—
Impairment loss on available-for-sale financial assets	23,657	—
Impairment loss on property, plant and equipment	4,831	—
Impairment loss on trade and other receivables	858	—
Operating cash flows before movements in working capital	(2,149)	(3,638)
Decrease/(Increase) in inventories	823	(1,547)
Decrease/(Increase) in trade receivables	4,894	(5,010)
Decrease/(Increase) in trade and other receivables and prepayments	5,471	(3,055)
(Decrease)/Increase in trade payable	(2,271)	10,132
Increase/(Decrease) in other payable and accrued expenses	3,591	(2,373)
Increase in trade deposit received	622	2,533
Increase in amount due to a related company	1,000	—
Cash generated from/(used in) operations	11,981	(2,958)
Profits tax paid	(440)	(935)
Finance cost	(3,651)	(2,183)
Net cash generated from/(used in) operating activities	7,890	(6,076)



CONSOLIDATED CASH FLOW STATEMENT *(Continued)*

For the year ended 31 March 2006

	2006 <i>HK\$'000</i>	2005 <i>HK\$'000</i> <i>(Restated)</i>
INVESTING ACTIVITIES		
Interest received	133	6
Purchases of property, plant and equipment	(4,586)	(3,297)
Proceeds on disposal of property, plant and equipment	—	235
Increase in long-term deposits and prepayments	—	(9,521)
Net cash used in investing activities	(4,453)	(12,577)
FINANCING ACTIVITIES		
Proceeds from issue of warrants	13	2,771
Repayment of bank loans	(2,404)	(2,333)
Capital element of finance lease rental payments	(79)	(154)
Proceeds from disposal of investments in securities	—	722
Net cash (used in)/generated from financing activities	(2,470)	1,006
Net increase/(decrease) in cash and cash equivalents	967	(17,647)
Cash and cash equivalents at 1 April 2005/2004	2,394	19,999
Effect of foreign exchange rate changes	416	42
Cash and cash equivalents at 31 March 2006/2005	3,777	2,394
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	4,716	5,107
Less: Bank overdrafts	939	2,713
	3,777	2,394

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

