

Consolidated Cash Flow Statement

For the year ended 31 March 2006

	2006 HK\$'000	2005 HK\$'000
Cash flows from operating activities		
Loss before taxation	(18,323)	(26,507)
Adjustments for:		
Interest income from bank deposits	(68)	(38)
Depreciation	12,075	11,728
Interest expense	1,739	386
Fair value gains on derivative financial instruments	(180)	–
Gain on disposal of property, plant and equipment	–	(30)
Operating cash flows before working capital changes	(4,757)	(14,461)
Inventories	(14,327)	(10,473)
Trade and other receivables	(13,471)	970
Trade and other payables	24,144	9,673
Cash used in operations	(8,411)	(14,291)
PRC enterprise income tax paid	–	(462)
Net cash used in operating activities	(8,411)	(14,753)
Cash flows from investing activities		
Interest received	68	38
Proceeds from disposal of property, plant and equipment	–	30
Payments to acquire property, plant and equipment	(9,736)	(13,941)
Net cash used in investing activities	(9,668)	(13,873)
Cash flows from financing activities		
Proceeds from short-term bank borrowings	29,077	22,017
Repayment of short-term bank borrowings	(25,725)	(15,000)
Interest paid	(1,739)	(386)
Net cash generated from financing activities	1,613	6,631
Decrease in cash and cash equivalents	(16,466)	(21,995)
Cash and cash equivalents at beginning of the year	19,713	41,708
Effect of foreign exchange rate changes	1,363	–
Cash and cash equivalents at end of the year	4,610	19,713
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	4,610	19,713