

## Consolidated Cash Flow Statement

Year ended 31 March 2006

	2006 HK\$'000	2005 HK\$'000
<b>OPERATING ACTIVITIES</b>		
Loss before taxation	<b>(52,509)</b>	(175,953)
Depreciation	<b>30,869</b>	34,487
(Reversal of) Provision for impairment loss on property, plant and equipment	<b>(2,678)</b>	91,733
Surplus on revaluation of investment properties	–	(1,480)
Interest income	<b>(613)</b>	(599)
Interest expense	<b>11,466</b>	6,945
(Gain) Loss on disposal of property, plant and equipment	<b>(2,282)</b>	153
(Write-back of) Provision for bad and doubtful debts	<b>(6,359)</b>	35,316
Provision for inventory obsolescence	<b>5,685</b>	8,907
Provision for impairment in value of an associate	–	873
Changes in working capital:		
Trade and bills receivables, prepayments, deposits and other receivables	<b>18,827</b>	17,658
Inventories	<b>23,260</b>	16,605
Due from an associate	–	471
Trade payables, other payables and accruals	<b>(40,173)</b>	13,248
Cash (used in) generated from operating activities	<b>(14,507)</b>	48,364
Interest paid	<b>(8,900)</b>	(4,651)
Hong Kong Profits Tax paid	<b>(12)</b>	–
Tax reserve certificates	–	(2,700)
<b>Net cash (used in) generated from operating activities</b>	<b>(23,419)</b>	41,013

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Year ended 31 March 2006

	Note	2006 HK\$'000	2005 HK\$'000
<b>INVESTING ACTIVITIES</b>			
(Increase) Decrease in pledged deposits		(1,146)	6,541
Purchase of property, plant and equipment		(3,603)	(21,928)
Proceeds on disposal of property, plant and equipment		22,791	163
Proceeds on disposal of investment properties		3,114	–
Interest received		576	599
<b>Net cash generated from (used in) investing activities</b>		<b>21,732</b>	(14,625)
<b>FINANCING ACTIVITIES</b>			
New short-term bank borrowings		93,922	8,846
Repayment of short-term bank borrowings		(95,913)	(26,531)
Repayment of long-term bank borrowings		–	(10,145)
Repayment of obligation under finance leases		(2,670)	(8,021)
Interest paid on obligation under finance leases		(109)	(968)
<b>Net cash used in financing activities</b>		<b>(4,770)</b>	(36,819)
<b>Net decrease in cash and cash equivalents</b>		<b>(6,457)</b>	(10,431)
<b>Cash and cash equivalents at beginning of year</b>		<b>8,442</b>	21,517
<b>Decrease (Increase) in restricted bank balances</b>	29	<b>2,644</b>	(2,644)
<b>Cash and cash equivalents at end of year</b>		<b>4,629</b>	8,442
<b>Represented by:</b>			
Bank balances and cash		4,629	9,246
Bank overdrafts, unsecured		–	(804)
		<b>4,629</b>	8,442