

# Consolidated Cash Flow Statement

For the year ended 31 March 2006

	2006 HK\$'000	2005 HK\$'000 Restated
<b>Operating activities</b>		
(Loss) before taxation	(45,714)	(137)
Adjustments for:		
Depreciation	9,864	10,795
Interest element of finance lease	542	1,095
Amortisation of goodwill	–	2,616
Impairment loss of goodwill	6,538	–
Interest expenses	3,588	3,388
Interest income	(234)	(72)
Loss on sale of property, plant and equipment	3,188	2,005
Gain on sale of subsidiary	(1,359)	–
Minority interests	1,393	–
<b>Operating (loss)/profit before changes in working capital</b>	<b>(22,194)</b>	<b>19,690</b>
Decrease in inventories	2,092	4,323
Decrease in trade and other receivable, deposits and prepayments	25,463	6,330
(Decrease) in trade creditors, other payable and accrued charges	(8,675)	(9,409)
(Decrease) in amount due to a related company	–	(999)
Increase in amount due to ultimate holding company	1,547	–
Increase in amount due to director	1,903	–
<b>Cash generated from operations</b>	<b>136</b>	<b>19,935</b>
Tax paid		
Hong Kong profits tax paid	(841)	(482)
Hong Kong profits tax refunded	–	574
<b>Net cash (used in)/generated from operating activities</b>	<b>(705)</b>	<b>20,027</b>

# Consolidated Cash Flow Statement

For the year ended 31 March 2006

	2006 HK\$'000	2005 HK\$'000 Restated
<b>Investing activities</b>		
Payments for the purchase of property, plant and equipment	(1,398)	(5,780)
Proceeds from sale of property, plant and equipment	5,303	12,573
Interest received	234	72
<b>Net cash generated from investing activities</b>	<b>4,139</b>	<b>6,865</b>
<b>Financing activities</b>		
Capital element of finance lease rentals paid	(13,172)	(11,253)
Bank deposits pledged	(6,870)	(2,570)
Repayment of bank and other loans	(27,319)	(23,309)
New bank and other loans	51,944	21,509
Interest element of finance lease rentals paid	(542)	(1,095)
Interest paid	(3,588)	(3,388)
Dividend paid to minority shareholders by a subsidiary	-	(300)
<b>Net cash generated from / (used in) financing activities</b>	<b>453</b>	<b>(20,406)</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,887</b>	<b>6,486</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>(12,797)</b>	<b>(19,283)</b>
<b>Cash and cash equivalents at end of year</b>	<b>(8,910)</b>	<b>(12,797)</b>
<b>Analysis of balances of cash and cash equivalents</b>		
Bank balances and cash	1,888	1,911
Bank overdrafts	(8,360)	(12,748)
Trust receipt loans	(2,438)	(1,960)
	<b>(8,910)</b>	<b>(12,797)</b>

The notes on pages 35 to 84 form part of these financial statements.