

Consolidated Cash Flow Statement |

For the year ended 31 March 2006

	Notes	2006 HK\$'000	2005 HK\$'000 (Restated)
Cash flows from operating activities			
Loss before taxation		(20,253)	(29,802)
Adjustments for:			
Finance costs	8	2,120	2,998
Share of losses of associates		–	3,292
Impairment loss on available-for-sale financial assets/ short term investment		–	3,517
Interest income	5	(1,378)	(8)
Depreciation	7	6,710	8,890
Gain on disposal of property, plant and equipment		–	(1,701)
Loss on disposal of property, plant and equipment	7	1,318	1,078
Impairment loss on interests in associates		–	5,650
Impairment loss on prepayments		–	1,002
Impairment loss on property, plant and equipment	7	163	2,740
Write-back of impairment loss on property, plant and equipment	7	(2,740)	–
Equity-settled share options expenses		30,532	–
Excess over the cost of a business combination recognised in the income statement	7	(1,154)	–
Gain on disposal of subsidiaries		(3,017)	–
Amortisation of prepaid land lease payments	7	82	7
Loss on deemed partial disposal of interests in associates		–	2,693
Operating profit before working capital changes		12,383	356
Increase in inventories		(2,472)	(1,290)
Increase in trade and bills receivables		(13,581)	(5,179)
Decrease in prepayments, deposits and other receivables		20,126	6,555
Increase in trade payables		10,169	1
Increase/(decrease) in accrued liabilities and other payables		9,223	(3,453)
Increase in amount due from former subsidiaries		(14,601)	–
Translation adjustment		(5,675)	–
Cash generated from/(used in) operations		15,572	(3,010)
Interest paid on bank and other borrowings		(1,932)	(1,641)
Interest on promissory notes and convertible note		(188)	(1,357)
Tax paid		(566)	–
Net cash generated from/(used in) operating activities		12,886	(6,008)

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For the year ended 31 March 2006

	Notes	2006 HK\$'000	2005 HK\$'000 (Restated)
Cash flow from investing activities			
Interest received		1,378	8
Purchase of property, plant and equipment		(16,406)	(8,224)
Deposits paid for acquisition of property, plant and equipment		(5,798)	–
Land lease payments prepaid		–	(1,019)
Proceeds from disposal of property, plant and equipment		3	666
Acquisition of subsidiaries (net of cash and cash equivalent acquired)	30, 32	22,690	13
Disposal of subsidiaries (net of cash and cash equivalent disposed)	31	(665)	–
Disposal of associates		1,200	–
Net cash generated from/(used in) investing activities		2,402	(8,556)
Cash flows from financing activities			
Redemption of convertible note		(1,061)	–
Repayment of promissory notes		(10,480)	(2,925)
Proceeds from issue of new shares	27	224,842	44,203
Share issue expenses		(5,608)	(1,681)
Repayment to a shareholder		–	(3,130)
(Repayment to)/advance from a director		(2,457)	2,940
Repayment to a related company		–	(472)
Repayment to minority equity holders of subsidiaries of the Company		(13,487)	–
Repayment to minority shareholders		–	(3,571)
Drawdown of bank loans		10,016	–
Repayment of bank loans and mortgage loans		(6,544)	(472)
Drawdown of other borrowings		8,721	–
Repayment of other borrowings		(16,918)	(3,286)
Injection by minority equity holders of subsidiaries of the Company		13,138	–
Capital element of finance lease payments		(248)	–
Net cash generated from financing activities		199,914	31,606
Net increase in cash and cash equivalents		215,202	17,042
Cash and cash equivalents at beginning of year		20,239	3,197
Effect of foreign exchange rates, net		(405)	–
Cash and cash equivalents at end of year		235,036	20,239
Analysis of cash and cash equivalents			
Bank and cash balances		235,036	20,239