

# Consolidated Cash Flow Statement

For the year ended 31 March 2006

	Notes	2006 HK\$'000	2005 HK\$'000 (restated)
<b>Operating activities</b>			
(Loss) profit for the year		<b>(182,686)</b>	19,987
Adjustments for:			
Income tax (credit) charge		<b>(866)</b>	3,683
Share of loss of associates		<b>3,275</b>	–
Impairment of goodwill		<b>174,000</b>	–
Interest income on bank deposits		<b>(3,418)</b>	(1,751)
Interest income on loans to an associate		<b>(1,062)</b>	–
Interest expenses		<b>9,523</b>	4,699
Depreciation of property, plant and equipment		<b>16,277</b>	9,621
Amortisation of intangible assets		<b>759</b>	350
Prepaid lease payments		<b>320</b>	202
Gain on disposal of investment held for trading		<b>(967)</b>	–
Gain on disposal of property, plant and equipment		<b>(60)</b>	(61)
Allowance (reversal of allowance) for bad and doubtful receivables		<b>660</b>	(631)
Operating cash flows before movements in working capital		<b>15,755</b>	36,099
(Increase) decrease in inventories		<b>(6,623)</b>	5,290
Increase in trade and other receivables		<b>(27,711)</b>	(16,838)
Decrease in trade and other payables		<b>(1,513)</b>	(8,895)
Cash (used in) from operations		<b>(20,092)</b>	15,656
PRC income tax paid		<b>(1,896)</b>	(3,999)
Net cash (used in) generated from operating activities		<b>(21,988)</b>	11,657
<b>Investing activities</b>			
Interest received		<b>4,480</b>	1,751
Purchase of property, plant and equipment		<b>(8,894)</b>	(1,050)
Proceeds from disposal of property, plant and equipment		<b>272</b>	–
Purchase of intangible assets		<b>(68)</b>	(660)
Deposits paid for acquisition of property, plant and equipment and intangible assets		–	(1,305)
Purchase of investments held for trading		<b>(5,181)</b>	–
Proceeds from disposal of investments held for trading		<b>6,148</b>	–
Investment in associates		<b>(120,000)</b>	–
Deposit paid for investment in a subsidiary		–	(2,400)
Purchase of additional interests in subsidiaries		–	(29,479)
Purchase of subsidiaries (net of cash and cash equivalents acquired)	28	<b>(25,522)</b>	(114,426)
Loans to an associate		<b>(37,391)</b>	–
Net cash used in investing activities		<b>(186,156)</b>	(147,569)

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For the year ended 31 March 2006

	Notes	<b>2006</b> <b>HK\$'000</b>	2005 HK\$'000 (restated)
Financing activities			
Interest paid		<b>(9,523)</b>	(4,605)
Proceeds from issue of shares		-	390,000
Expenses incurred in connection with the issue of shares		-	(7,280)
New bank loans raised		<b>71,567</b>	106,032
Repayment of bank loans		<b>(73,516)</b>	(101,319)
Net cash (used in) generated from financing activities		<b>(11,472)</b>	382,828
Net (decrease) increase in cash and cash equivalents		<b>(219,616)</b>	246,916
Cash and cash equivalents at beginning of the year		<b>277,000</b>	30,084
Effect of foreign exchange rate changes		<b>412</b>	-
Cash and cash equivalents at end of the year			
Bank balances and cash	22	<b>57,796</b>	277,000