

# Consolidated Cash Flow Statement

For the year ended 31 March 2006 (Expressed in Hong Kong Dollars)

	Note	2006		2005 (restated)	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Operating activities</b>					
Loss from operations		(65,093)		(44,409)	
Adjustments for:					
Interest income		(7)		(21)	
Dividend income from investments		(311)		–	
Depreciation and amortisation		41,146		34,946	
Impairment loss for trade and other receivables		754		–	
Provision for slow-moving and obsolete inventories		2,030		–	
Net exchange loss		(21)		–	
Reduction in provision for other payables		(2,300)		(150)	
<b>Operating loss before changes in working capital</b>		<b>(23,802)</b>		<b>(9,634)</b>	
Decrease/(increase) in inventories		2,732		(2,999)	
Decrease/(increase) in trade and other receivables		7,203		(1,552)	
Decrease/(increase) in trade and other payables		(3,787)		4,112	
Increase in accrued directors' emoluments		1,417		8,467	
<b>Cash used in operations</b>		<b>(16,237)</b>		<b>(1,606)</b>	
Tax paid		–		–	
<b>Net cash used in operating activities</b>			<b>(16,237)</b>		<b>(1,606)</b>
<b>Investing activities</b>					
Payments for purchases of property, plant and equipment		(5,167)		(7,814)	
Interest received		7		21	
<b>Net cash used in investing activities</b>			<b>(5,160)</b>		<b>(7,793)</b>
<b>Financing activities</b>					
Incidentals for acquisition of long term investment		–		(986)	
Proceeds from new other loans		21,421		–	
Repayment of other loans		–		(5,728)	
Payment for share issuance expenses		(4)		(197)	
Interest paid		(1,388)		(1,323)	

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Net cash generated from/(used in) financing activities			<u>20,029</u>		<u>(8,234)</u>
Net (decrease)/increase in cash and cash equivalents			<b>(1,368)</b>		(17,633)
Cash and cash equivalents at 1 April			<b>6,072</b>		23,705
Effect of foreign exchange rate charges			<u>22</u>		<u>–</u>
Cash and cash equivalents at 31 March	20		<b>4,726</b>		6,072

The notes on pages 26 to 75 form part of these financial statements.