

# Consolidated Cash Flow Statement

For the year ended 31 March 2006

	<i>Notes</i>	<b>2006 HK\$'000</b>	<b>2005 HK\$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before taxation		(39,378)	(2,356)
Adjustments for:			
Depreciation	7	4,347	2,608
Loss on disposal of property, plant and equipment	7	68	–
Share of profit of an associate		(68)	(15)
Interest income	6	(22)	(12)
Finance costs	21	6	12
Provision for impairment of trade receivables		11,328	2,677
Impairment of interests in an associate	8	105	–
Provision for obsolete inventories		20,740	4,822
Impairment of property, plant and equipment	7	663	–
Exchange difference		524	–
Operating (loss)/profit before working capital changes		(1,687)	7,736
Increase in inventories		(4,341)	(12,020)
Increase in trade receivables		(3,547)	(6,168)
(Increase)/decrease in prepayments, deposits and other receivables		(76)	622
Increase/(decrease) in trade payables		146	(8,606)
Increase/(decrease) in accruals and other payables		1,334	(941)
Cash used in operations		(8,171)	(19,377)
Interest paid		(6)	(12)
Net cash used in operating activities		(8,177)	(19,389)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		22	12
Purchase of property, plant and equipment	7	(3,728)	(902)
Loan advanced to an associate		(2)	(2)
Net cash used in investing activities		(3,708)	(892)

## Consolidated Cash Flow Statement (Continued) For the year ended 31 March 2006

	2006 HK\$'000	2005 HK\$'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital element of finance lease rental payments	(102)	(96)
Net cash used in financing activities	(102)	(96)
<b>Net decrease in cash and cash equivalents</b>	<b>(11,987)</b>	<b>(20,377)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>16,593</b>	<b>36,970</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>4,606</b>	<b>16,593</b>
<b>Analysis of the balances of cash and cash equivalents</b>		
Cash and bank balances	4,606	16,593

The accompanying notes form an integral part of these financial statements.