

Consolidated Cash Flow Statement

For the year ended 31 March 2006

	2006 HK\$'000	2005 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	6,697	(87,835)
Adjustments for:		
Depreciation	4,530	5,830
Amortisation of intangible assets	732	7,317
Impairment loss on intangible assets	–	79,958
Amortisation of goodwill	–	3,526
Impairment loss on goodwill	5,171	6,600
Amortisation of land use rights	561	566
Impairment loss on property, plant, equipment and land use rights	10,723	–
Impairment loss on trade receivables	8,090	–
Reversal of impairment loss on trade receivables	(3,097)	(9,858)
Written back of provision of inventories	(573)	–
Loss on disposal of property, plant and equipment	45	131
Change in fair value of financial assets through profit or loss	1,646	–
Gain on disposal of subsidiaries	–	(72)
Interest income	(1,001)	(925)
Finance costs	908	2,203
Operating cash flows before movements in working capital	34,432	7,441
Decrease/(increase) in inventories	1,497	(10,377)
(Increase)/decrease in trade receivables	(18,001)	28,043
(Increase)/decrease in prepayments, deposits and other receivables	(6,479)	3,282
Increase/(decrease) in trade and bills payables	1,004	(5,705)
Increase in accruals and other payables	3,266	7,535
Cash generated from operations	15,719	30,219
Interest received	1,001	925
Interest paid	(908)	(2,203)
Overseas taxes refunded/(paid)	941	(3,353)
Net cash generated from operating activities	16,753	25,588

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	Note	2006 HK\$'000	2005 HK\$'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(1,158)	(969)
Purchases of intangible assets		(29)	–
Proceeds from disposal of property, plant and equipment		–	1,544
Decrease/(increase) in pledged bank deposits		4,942	(961)
Acquisition of subsidiaries		–	(53,009)
Proceeds from disposal of subsidiaries		–	24,105
Decrease in an amount due from a related party		–	9,171
Increase in amounts due from related parties		–	(9,928)
Net cash generated from/(used in) investing activities		3,755	(30,047)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease)/increase in trust receipt loans		(923)	2,060
Repayment of bank loans		(31,904)	(9,905)
Decrease in an amount due to a minority shareholder		–	(2)
Net cash used in financing activities		(32,827)	(7,847)
Net decrease in cash and cash equivalents		(12,319)	(12,306)
Effect on foreign exchange rate		1,693	–
Cash and cash equivalents at beginning of the year		58,328	70,634
Cash and cash equivalents at the end of the year		47,702	58,328
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		47,702	58,337
Bank overdraft	15	–	(9)
		47,702	58,328

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