

Consolidated Cash Flow Statement

For the year ended 30 April 2006

	2006 HK\$'000	2005 HK\$'000
Cash flows from operating activities		
Loss before tax	(49,964)	(39,752)
Adjustments for:		
Depreciation of property, plant and equipment	4,631	6,708
Amortisation of deferred costs	451	2,427
Interest expenses	2,869	1,358
Interest income	(3)	(38)
Gain on disposal of an investment property	(58)	–
Loss on disposal of property, plant and equipment	–	1,396
Revaluation decrease arising on revaluation of an investment property	–	158
Loss on disposal of other investment	–	226
Impairment loss recognised in respect of deferred costs	–	408
Allowance for inventories	2,918	1,534
Allowance for bad and doubtful debts	404	1,491
Operating loss before working capital changes	(38,752)	(24,084)
Decrease/(increase) in prepayments, deposits and other receivables	66	(1,868)
Decrease in inventories	258	16,559
Decrease in trade receivables	2,848	12,289
Decrease/(increase) in bills receivable	2,683	(2,683)
Decrease in bills payables	(2,113)	–
Decrease in trade payables	(7,818)	(22,971)
Decrease in other payables and accruals	(7,871)	(2,121)
	(11,947)	(795)
Cash used in operations	(50,699)	(24,879)
Interest received	3	38
Interest paid	(1,539)	(1,358)
	(1,536)	(1,320)
Net cash used in operating activities	(52,235)	(26,199)
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,083)	(436)
Sale of property, plant and equipment	–	103
Payment for deferred costs	(53)	(56)
Sale of other investments	–	239
Sale of an associate	–	2,000
Sale of investment property	700	–
Net cash (used in)/from investing activities	(2,436)	1,850

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Cash flows from financing activities		
Issue of ordinary shares	–	15,092
Rights issue raised	22,420	–
Expenses incurred in connection with issue of shares	(2,039)	(480)
Convertible bonds issued	44,838	–
New loans raised	12,000	189,377
Repayment of loans	(22,850)	(183,383)
Capital element of finance leases repaid	(352)	(627)
Inception of finance leases	300	–
Net cash from financing activities	54,317	19,979
Net decrease in cash and cash equivalents	(354)	(4,370)
Effect of foreign exchange rates	(335)	–
Cash and cash equivalents at the beginning of the year	1,847	6,217
Cash and cash equivalents at the end of the year	1,158	1,847
Analysis fo the balances of cash and cash equivalents		
Cash and bank balances	1,158	1,614
Pledged deposits	–	420
Bank overdrafts	–	(187)
	1,158	1,847

The notes on pages 27 to 69 are part of these financial statements.