

Consolidated Cash Flow Statement

For the year ended 30 September 2006

	2006 HK\$'000	2005 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(63,756)	(123,870)
Adjustments for:		
Depreciation	2,098	2,709
Amortisation of leasehold land	174	259
Loss on disposals of financial assets at fair value through profit or loss	691	–
Loss on disposals of property, plant and equipment	10	76
Dividend income from available-for-sale financial assets	(526)	–
Interest income	(5,410)	(1,819)
Interest expenses	66	40
Operating cash flows before movements in working capital	(66,653)	(122,605)
Decrease in inventories	756	106,338
(Increase)/decrease in trade receivables	(6,175)	69,184
Decrease in prepayments, deposits and other receivables	75,026	35,822
(Decrease)/increase in trade payables	(3,009)	59,723
Decrease in accrued charges and other payables	(3,604)	(3,967)
Cash (used in)/generated from operations	(3,659)	144,495
Interest expenses	(66)	(40)
Profits tax paid	(98,338)	(1,191)
Net cash (used in)/generated from operating activities	(102,063)	143,264
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(664)	(1,927)
Purchase of available-for-sale financial assets	(64,753)	–
Purchase of financial assets at fair value through profit or loss	(10,784)	–
Interest income	5,410	1,819
Proceeds from disposals of property, plant and equipment	–	248
Proceeds from disposals of financial assets at fair value through profit or loss	10,093	–
Dividend income from available-for-sale financial assets	526	–
Net cash (used in)/generated from investing activities	(60,172)	140

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CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in bank borrowings – trust receipt	11,479	–
Increase in pledged time deposits	(37,174)	–
Payment of capital element of finance lease	(35)	(30)
Net cash used in financing activities	(25,730)	(30)
Net (decrease)/increase in cash and cash equivalents	(187,965)	143,374
Cash and cash equivalents at beginning of the year	261,827	118,071
Effect of foreign exchange rate changes	(1,290)	382
Cash and cash equivalents at the end of the year	72,572	261,827
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	115,194	261,827
Bank overdrafts (<i>note 18</i>)	(42,622)	–
	72,572	261,827

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