

26 Consolidated Cash Flow Statement

For the year ended 30 September 2006

	Notes	2006 HK\$'000	2005 HK\$'000
Cash flows from operating activities			
Loss before taxation		(36,283)	(58,205)
Adjustments for:			
Depreciation and amortisation on property, plant and equipment		756	1,038
Impairment loss on goodwill		24,000	51,761
Write off of property, plant and equipment		–	318
Impairment loss on property, plant and equipment		2,000	–
Impairment loss on trade and other receivables		7,135	–
Gain on disposal of subsidiaries		–	(1,523)
Interest expenses		–	150
Interest income		(546)	(74)
Share of profit of an associate		(3)	–
Operating loss before working capital changes		(2,941)	(6,535)
Increase in inventories		–	(2,174)
Decrease in trade receivables, other receivables and deposits		20,140	2,532
Decrease in trade and other payables		(1,121)	(6,760)
Cash used in operations		16,078	(12,937)
Interest paid		–	(150)
<i>Net cash generated from/(used in) operating activities</i>		16,078	(13,087)
Cash flows from investing activities			
Purchase of property, plant and equipment		(5,536)	(465)
Proceeds from disposal of subsidiaries, net of cash disposed of	24.1	600	7,937
Acquisition of subsidiaries, net of cash and cash equivalents acquired	24.2	(11,081)	(27,024)
Cash consideration paid for acquisition of subsidiaries		(4,500)	(4,000)
Loan to a minority shareholder		(464)	–
Interest received		546	74
<i>Net cash used in investing activities</i>		(20,435)	(23,478)
Cash flows from financing activities			
Proceeds from issue of warrant		2,300	–
New bank and other loans		–	1,698
Repayment of finance lease liabilities		–	(83)
<i>Net cash generated from financing activities</i>		2,300	1,615
Net decrease in cash and cash equivalents		(2,057)	(34,950)
Cash and cash equivalents at beginning of year		19,965	54,920
Effect of foreign exchange rate changes, on cash held		39	(5)
Cash and cash equivalents at end of year		17,947	19,965