

Consolidated Cash Flow Statement

For the year ended 31 March 2007

	2007 HK\$'000	2006 HK\$'000
OPERATING ACTIVITIES		
Loss for the year	(13,936)	(15,547)
Adjustments for:		
Interest income	(244)	(1,191)
Finance costs	232	1,214
Depreciation	602	949
Impairment loss of goodwill	–	1,449
Goodwill written off	12	–
Inventories written off	–	3,462
Impairment loss of debts, net	425	2,976
Property, plant and equipment written off	34	15
Gain on disposal of discontinued operation	(74)	–
Gain on disposal of subsidiaries	(368)	–
Share of profits of associates	(1,810)	(2,708)
Operating cash flows before movements in working capital	(15,127)	(9,381)
Increase in inventories	(2,456)	(50)
Increase in accounts receivable	(1,592)	(99)
(Increase)/decrease in prepayments, deposits and other receivables	(15,953)	4,152
Increase/(decrease) in accounts payable	2,822	(16)
Increase in accrued liabilities and other payables	4,357	1,277
NET CASH USED IN OPERATING ACTIVITIES – PAGE 26	(27,949)	(4,117)

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	Note	2007 HK\$'000	2006 HK\$'000
NET CASH USED IN OPERATING ACTIVITIES			
– PAGE 25		(27,949)	(4,117)
INVESTING ACTIVITIES			
Disposal of subsidiaries	24	2,216	–
Acquisition of a subsidiary	25	209	–
(Increase)/decrease in pledged bank deposits		(676)	1,042
Dividend received from associates		2,067	1,620
Proceeds from disposal of property, plant and equipment		–	1,039
Payments to acquire property, plant and equipment		(2,121)	(131)
Interest received		244	1,191
NET CASH GENERATED FROM INVESTING ACTIVITIES		1,939	4,761
FINANCING ACTIVITIES			
L/C charges and interest paid		(232)	(1,214)
Net proceeds from issue of shares		8,040	–
Advance from a director		10,140	–
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES		17,948	(1,214)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(8,062)	(570)
Cash and cash equivalents at beginning of year		14,045	14,615
CASH AND CASH EQUIVALENTS AT END OF YEAR		5,983	14,045
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		5,983	13,890
Bills receivable		–	155
		5,983	14,045

The accompanying notes form part of these financial statements.