

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2006

	<i>Notes</i>	2006 HK\$'000	2005 HK\$'000
Operating activities			
(Loss) profit for the year		(32,857)	6,104
Adjustments for:			
Interest income		(1,291)	(45)
Interest expense		1,275	424
Depreciation		3,372	2,744
Amortisation of prepaid lease payments		168	—
Amortisation of goodwill		—	1,920
Gain on disposal of subsidiaries		—	(9,042)
Allowance for a loan to Acme Landis Operations Holdings Limited, a former subsidiary		—	403
Allowance for inventories		214	94
(Allowance) write back of allowance for doubtful debts		3,882	(17)
Loss on disposal of property, plant and equipment		96	—
Impairment loss recognised in respect of goodwill		21,122	—
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Operating cash flows before movements in working capital		(4,019)	2,585
Increase in inventories		(197)	(1,730)
Decrease (increase) in trade and other receivables		211	(4,127)
Increase (decrease) in trade and other payables		807	(4,211)
Decrease in bills payable		(518)	(637)
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Net cash used in operating activities		(3,716)	(8,120)
Investing activities			
Proceeds from disposal of property, plant and equipment		55	—
Interest received		1,291	45
Prepayments and deposits paid for acquisition of property, plant and equipment		(15,628)	—
Purchase of property, plant and equipment		(4,094)	(11,779)
Purchase of land use rights		(9,165)	—
Acquisition of subsidiaries, net of cash and cash equivalents acquired	27	—	(39,191)
Excess payment on acquisition of subsidiaries		—	(11,120)
Refund of excess payment on acquisition of subsidiaries		11,120	—
Disposal of subsidiaries, net of cash and cash equivalents disposed of	28	—	(15)
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Net cash used in investing activities		(16,421)	(62,060)

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2006

<i>Notes</i>	2006	2005
	HK\$'000	HK\$'000
Financing activities		
Interest paid	(1,275)	(275)
Net proceeds from issue of new shares	141,858	—
Bank loans raised	28,331	40,000
Repayment of bank loans	(73,753)	(2,369)
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Net cash from financing activities	95,161	37,356
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Net increase (decrease) in cash and cash equivalents	75,024	(32,824)
Cash and cash equivalents at beginning of the year	33,352	66,131
Effect of foreign exchange rate changes	1,642	45
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Cash and cash equivalents at end of the year, represented by bank balances and cash	110,018	33,352
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