

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2005

	1.4.2004 to 31.3.2005 HK\$'000	1.1.2003 to 31.3.2004 HK\$'000
Cash flows from operating activities		
Net profit (loss) for the year/period	6,104	(57,737)
Adjustments for:		
Share of results of an associate	—	4
Share of results of jointly controlled entities	—	72
Interest income	(45)	(70)
Interest expense	424	1,960
Depreciation	2,744	6,495
Amortisation of goodwill	1,920	—
(Gain) loss on disposal of subsidiaries	(9,042)	539
Allowance for a loan to Acme Landis Operations Holdings Limited, a former subsidiary	403	3,297
Allowance for inventories	94	—
(Write-back of) allowance for doubtful debts	(17)	1,155
Allowance for amounts due from associates	—	317
Loss on disposal of property, plant and equipment	—	379
Loss on waiver of amount due from a minority shareholder of a subsidiary	—	117
Loss on waiver of loan to a jointly controlled entity	—	7
Impairment loss recognised in respect of property, plant and equipment	—	9,971
Impairment loss recognised in respect of long term investments	—	3,900
Impairment loss recognised in respect of goodwill of subsidiaries	—	492
Operating cash inflows (outflows) before movements in working capital	2,585	(29,102)
(Increase) decrease in inventories	(1,730)	137
Increase in trade and other receivables	(4,127)	(864)
(Decrease) increase in trade and other payables	(4,211)	132
Decrease in bills payable	(637)	—
Cash used in operations	(8,120)	(29,697)
Interest paid	(275)	(1,534)
Net cash used in operating activities	(8,395)	(31,231)

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For the year ended 31 March 2005

	<i>Notes</i>	1.4.2004 to 31.3.2005 HK\$'000	1.1.2003 to 31.3.2004 HK\$'000
Cash flows from investing activities			
Interest received		45	70
Proceeds from disposal of property, plant and equipment		—	227
Purchase of property, plant and equipment		(11,779)	(12,125)
Investment in an associate		—	(4)
Advances to associates		—	(317)
Acquisition of subsidiaries/a subsidiary, net of cash and cash equivalents acquired	29	(39,191)	(72)
Excess payment on acquisition of subsidiaries		(11,120)	—
Disposal of subsidiaries, net of cash and cash equivalents disposal of	30	(15)	(115)
Net cash used in investing activities		(62,060)	(12,336)
Cash flows from financing activities			
Bank loans raised		40,000	—
Proceeds from issue of new shares		—	103,876
Other loans raised		—	34,270
Repayment of bank loans		(2,369)	—
Repayment of other loans		—	(30,270)
Net cash from financing activities		37,631	107,876
Net (decrease) increase in cash and cash equivalents		(32,824)	64,309
Cash and cash equivalents at beginning of the year/period		66,131	1,822
Effect of foreign exchange rate changes		45	—
Cash and cash equivalents at end of the year/period, represented by bank balances and cash		33,352	66,131