

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 September 2005

	Notes	2005 HK\$'000	2004 HK\$'000
Cash flows from operating activities			
Loss before income tax		(58,205)	(21,468)
Adjustments for:			
Depreciation and amortisation on property, plant and equipment		1,038	1,394
Amortisation of goodwill		—	6,577
Impairment loss on goodwill		51,761	—
Loss on disposal of property, plant and equipment		—	411
Write off of property, plant and equipment		318	—
Provision for doubtful debt		—	2,523
Gain on disposal of subsidiaries		(1,523)	(20,534)
Interest expenses		150	235
Interest income		(74)	(119)
Operating loss before working capital changes		(6,535)	(30,981)
(Increase) / Decrease in inventories		(2,174)	21,133
Decrease / (Increase) in trade receivables, other receivables and deposits		2,532	(22,923)
Decrease in trade and other payables		(6,760)	(2,129)
Cash used in operations		(12,937)	(34,900)
Interest paid		(150)	(235)
<i>Net cash used in operating activities</i>		(13,087)	(35,135)
Cash flows from investing activities			
Purchase of property, plant and equipment		(465)	(216)
Proceeds from disposal of subsidiaries, net of cash disposed of	26.1	7,937	2,110
Acquisition of subsidiaries, net of cash and cash equivalents acquired	26.2	(27,024)	(22,000)
Cash consideration paid for acquisition of subsidiaries	30	(4,000)	—
Interest received		74	119
<i>Net cash used in investing activities</i>		(23,478)	(19,987)
Cash flows from financing activities			
Proceeds from issue of new shares		—	61,800
Payment of share issue expenses		—	(646)
New bank and other loans		1,698	3,113
Repayment of bank and other loans		—	(3,084)
Repayment of finance lease liabilities		(83)	(125)
<i>Net cash generated from financing activities</i>		1,615	61,058
Net (decrease)/increase in cash and cash equivalents		(34,950)	5,936
Cash and cash equivalents at beginning of year		54,920	48,809
Effect of foreign exchange rate changes, on cash held		(5)	175
Cash and cash equivalents at end of year		19,965	54,920