

Consolidated Cash Flow Statement

For the year ended 31 March 2006

	2006 HK\$	2005 HK\$ (restated)
OPERATING ACTIVITIES		
Profit (loss) before tax	6,535,674	(37,736)
Adjustments for:		
Write-down of inventories	–	403,406
Amortisation of goodwill arising on acquisition of a subsidiary	–	294,734
Amortisation of goodwill arising on acquisition of an associate	–	89,905
Amortisation of intangible assets	86,373	84,912
Amortisation of prepaid lease payments	75,269	74,193
Depreciation of property, plant and equipment	2,122,243	1,680,803
Gain arising on change in fair value of investment property	(4,600,000)	–
Interest expenses	–	43,147
Interest income from bank deposits	(2,009,437)	(1,150,990)
Loss on disposal of an associate	266,381	–
Loss on disposals of property, plant and equipment	3,393	–
Loss on write off of property, plant and equipment	–	53,783
Share of results of associates	(1,805,102)	(441,592)
Surplus arising on revaluation of investment property	–	(800,000)
Operating cash flows before movements in working capital	674,794	294,565
Increase in inventories	(491,105)	(1,120,817)
Increase in trade and other receivables	(1,496,312)	(1,056,962)
Increase in trade and other payables	1,042,277	12,745
Decrease in amount due to a shareholder	–	(589,511)
(Decrease) increase in deposit received	(288,462)	1,226,415
Utilisation of statutory reserves	(19,288)	(5,524)
Cash used in operations	(578,096)	(1,239,089)
Tax paid in the PRC	(233,984)	(45,263)
NET CASH USED IN OPERATING ACTIVITIES	(812,080)	(1,284,352)
INVESTING ACTIVITIES		
Proceeds from redemption of securities linked deposits	3,017,282	–
Interest received	2,009,437	1,150,990
Proceeds from disposal of an associate	1,362,981	–
Decrease in bank deposits	519,454	2,721,685
Dividend received from an associate	323,642	–
Proceeds from disposal of property, plant and equipment	5,952	–
Purchases of property, plant and equipment	(1,612,202)	(1,530,570)
NET CASH GENERATED FROM INVESTING ACTIVITIES	5,626,546	2,342,105

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FINANCING ACTIVITIES		
Dividend paid to a minority shareholder of a subsidiary	(1,330,160)	–
Increase (decrease) in government grants	2,115,385	(51,228)
Repayment of short term loan	–	(943,396)
Interest expense paid	–	(43,147)
Short term loan raised	–	943,396
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES	785,225	(94,375)
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,599,691	963,378
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	14,464,636	13,501,258
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	254,314	–
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	20,318,641	14,464,636