

Consolidated Cash Flow Statement

For the year ended 31 March 2006
(Expressed in Hong Kong dollars)

	Notes	2006 HK\$'000	2005 HK\$'000 (As restated)
Cash flows from operating activities			
(Loss)/Profit before taxation		(30,353)	501
Adjustments for:			
Equity settled share-based payments		15,384	5,063
Interest income		(92)	(328)
Depreciation		380	317
Impairment loss on investment in an associate		-	352
Gain on disposal of property, plant and equipment		(2)	-
Finance costs		40	13
Operating cash flows before changes in working capital		(14,643)	5,918
Trade receivables		129,651	(32,513)
Prepayments, deposits and other receivables		1,890	(14,128)
Amount due from the Controlling Shareholder		24	(5)
Amounts due from minority shareholders		(3,583)	-
Other payables and accruals		(30,710)	30,785
Amount due to a related company		-	(93)
Net cash generated from/(used in) operations		82,629	(10,036)
Interest received		92	236
Net cash generated from/(used in) operating activities		82,721	(9,800)
Cash flows from investing activities			
Repayment of secured promissory note		3,592	500
Payments to acquire property, plant and equipment		(588)	(159)
Proceeds from disposal of property, plant and equipment		11	-
Payment of Earnest Money	20(i)	(50,000)	-
Net cash (used in)/generated from investing activities		(46,985)	341
Cash flows from financing activities			
Net proceeds from issue of shares	27	55,720	44,265
Net proceeds from placing of warrants	28	1,805	-
Advance to an associate		-	(21)
Capital repayment of hire purchase obligations		(186)	(62)
Capital contributions from minority shareholders		3,412	-
Interest paid		(40)	(13)
Net cash generated from financing activities		60,711	44,169
Net increase in cash and cash equivalents		96,447	34,710
Effect of foreign exchange rate changes		(25)	-
Cash and cash equivalents at the beginning of the year		38,642	3,932
Cash and cash equivalents at the end of the year		135,064	38,642
Analysis of the balances of cash and cash equivalents			
Bank balances and cash		135,064	38,642

As at 31 March 2006, the Group had bank balances and cash of approximately HK\$125,083,000 (2005: approximately HK\$27,831,000) which were denominated in Renminbi and placed with banks situated in the People's Republic of China.