

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March, 2006

	2006 HK\$	2005 HK\$ (restated)
<b>OPERATING ACTIVITIES</b>		
(Loss) profit before taxation	<b>(70,510,642)</b>	3,602,728
Adjustments for:		
Dividend income	<b>(306,835)</b>	(254,220)
Interest income	<b>(1,516,972)</b>	(68,025)
Unrealised holding gain on listed other investments	–	(4,284,278)
Allowance for doubtful debts	<b>115,491</b>	467,582
Amortisation of intangible asset	<b>1,885,400</b>	1,885,400
Release of prepaid lease payments	<b>251,582</b>	251,582
Depreciation	<b>8,081,989</b>	6,602,205
Finance costs	<b>2,078,339</b>	3,908,175
Write off of special reserve	<b>37,225,662</b>	–
Loss on disposal of property, plant and equipment	<b>183,848</b>	24,442
Impairment loss on property, plant and equipment reversed	–	(2,517,803)
Gain on disposal of investment properties	–	(8,130,370)
(Increase) decrease in fair value of investment properties	<b>(9,945)</b>	2,210,890
Decrease in fair value of held-for-trading investments	<b>3,486,881</b>	–
Share of results of associates	<b>13,685,451</b>	(13,929,605)
Exchange gain	<b>(1,119,877)</b>	–
Operating cash flows before movements in working capital	<b>(6,469,628)</b>	(10,231,297)
Increase in other investments	–	(2,408,548)
Increase in held-for-trading investments	<b>(4,743,619)</b>	–
Decrease in inventories	<b>63,099</b>	30,705
Increase in trade and other receivables	<b>(957,369)</b>	(2,589,638)
Decrease (increase) in amount due from an associate	<b>420,904</b>	(621,294)
Decrease in amounts due from related companies	<b>131,942</b>	49,045
(Decrease) increase in trade and other payables	<b>(3,248,142)</b>	3,196,809
Decrease in deposits received	<b>(167,860)</b>	(301,282)
(Decrease) increase in amounts due to associates	<b>(1,491,211)</b>	5,747,414
(Decrease) increase in amounts due to directors	<b>(246,109)</b>	216,109
Increase in amounts due to related companies	<b>34,590</b>	92,445
Decrease in provision for long service payments	<b>(109,521)</b>	(139,537)
Cash (used in) generated from operations	<b>(16,782,924)</b>	(6,959,069)
Hong Kong Profits Tax paid	–	(112,427)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(16,782,924)</b>	(7,071,496)

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<b>INVESTING ACTIVITIES</b>		
Dividend received from an associate	60,000,000	12,000,000
Dividend received from investments	306,835	254,220
Interest received	1,516,972	68,025
Repayment of loan by an associate	–	64,600,296
Repayment from associates	–	6,124,518
Net proceeds on disposal of investment properties	1,059,282	35,080,370
Proceeds on disposal of property, plant and equipment	305,901	–
Increase in pledged bank deposits	(60,561)	(5,026)
Acquisition of property, plant and equipment	(6,979,938)	(7,575,807)
Acquisition of investment properties	(187,547)	(13,257,930)
Deposit for acquisition of properties	(10,200,000)	–
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>45,760,944</b>	<b>97,288,666</b>
<b>FINANCING ACTIVITIES</b>		
Interest paid on bank and other borrowings	(2,047,775)	(3,866,111)
Interest paid on finance leases	(30,564)	(42,064)
Repayment of obligations under finance leases	(436,888)	(316,523)
New bank and other borrowings raised	7,911,858	7,399,976
Repayment of bank and other borrowings	(3,867,313)	(80,167,763)
Advance from a minority shareholder	510,176	254,717
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>	<b>2,039,494</b>	<b>(76,737,768)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>31,017,514</b>	<b>13,479,402</b>
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	<b>7,835,159</b>	<b>(5,644,243)</b>
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<b>38,852,673</b>	<b>7,835,159</b>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Bank balances and cash	38,852,673	12,764,280
Bank overdrafts	–	(4,929,121)
	<b>38,852,673</b>	<b>7,835,159</b>