

## Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2006

	<i>Note</i>	<b>2006</b> <b>HK\$</b>	2005 <i>HK\$</i>
<b>OPERATING ACTIVITIES</b>			
Loss before taxation		<b>(23,166,081)</b>	(22,289,348)
Adjustments for:			
Interest income		<b>(38,578)</b>	(583)
Imputed interest income		<b>(48,369)</b>	–
Interest expense		<b>219,724</b>	152,258
Depreciation		<b>596,426</b>	653,969
Allowances for bad and doubtful debts		–	5,003,923
Write-down of inventories		<b>1,238,186</b>	–
Allowance for amounts due from minority shareholders		<b>3,208,165</b>	–
Share of results of associates		<b>18,079,680</b>	12,507,241
Share of result of a jointly controlled entity		<b>1,616,361</b>	(12,326,855)
Loss on disposal of investments in listed securities		–	814,261
Gain on disposal of available-for-sale investments		<b>(8,399,066)</b>	–
Loss (gain) on disposal of property, plant and equipment		<b>29,559</b>	(19,512)
Gain on liquidation of a subsidiary		<b>(1,765,430)</b>	–
Net change in fair value of investments held for trading		<b>(759,619)</b>	–
Unrealised gain on investments in listed securities		–	(180,000)
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Operating cash flows before movements in working capital		<b>(9,189,042)</b>	(15,684,646)
Decrease in inventories		<b>302,664</b>	836,103
Decrease in accounts receivable and prepayments		<b>5,001,028</b>	3,667,532
Decrease in other receivables		–	157,351
Decrease in amounts due from minority shareholders		<b>1,791,746</b>	–
Increase in investments held for trading		<b>(9,762,881)</b>	–
Decrease in available-for-sale investments/investments in securities		<b>20,380,092</b>	5,058,035
Decrease in accounts payable and accrued charges		<b>(429,291)</b>	(6,875,924)
(Decrease) increase in amount due to a customer on contract work		<b>(2,093,389)</b>	2,093,389
(Decrease) increase in bills payable		<b>(1,346,309)</b>	1,346,309
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Net cash from (used in) operations		<b>4,654,618</b>	(9,401,851)
Hong Kong Profits Tax refunded		–	997,871
Overseas tax paid		–	(15,247)
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<b>NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>		<b>4,654,618</b>	(8,419,227)
<b>INVESTING ACTIVITIES</b>			
Interest received		<b>38,578</b>	583
Advances to associates		<b>(6,021,472)</b>	(601,288)
Advances from a jointly controlled entity		<b>7,035,046</b>	4,658,481
De-consolidation of a subsidiary	<i>30</i>	–	(4,289,596)
Purchase of property, plant and equipment		<b>(143,887)</b>	(100,651)
Proceeds on disposal of property, plant and equipment		–	21,000
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<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>		<b>908,265</b>	(311,471)

## Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2006

	<b>2006</b>	2005
	<b>HK\$</b>	HK\$
FINANCING ACTIVITIES		
(Decrease) increase in amounts due to related companies	<b>(8,682,108)</b>	7,298,295
Interest paid	<b>(219,724)</b>	(152,258)
	<u><b>(8,901,832)</b></u>	<u>7,146,037</u>
NET CASH (USED IN) FROM FINANCING ACTIVITIES		
	<b>(8,901,832)</b>	7,146,037
NET DECREASE IN CASH AND CASH EQUIVALENTS	<b>(3,338,949)</b>	(1,584,661)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<b>6,703,856</b>	8,272,348
EFFECT ON FOREIGN EXCHANGE RATE CHANGES	<b>385,750</b>	16,169
	<u><b>3,750,657</b></u>	<u>6,703,856</u>
CASH AND CASH EQUIVALENTS, END OF YEAR		
	<u><b>3,750,657</b></u>	<u>6,703,856</u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	<b>6,254,374</b>	8,929,047
Bank overdrafts	<b>(2,503,717)</b>	(2,225,191)
	<u><b>3,750,657</b></u>	<u>6,703,856</u>