

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2006

	2006	2005
Note	HK\$'000	Restated HK\$'000
Operating activities		
(Loss) before taxation	(76,530)	(19,156)
Adjustments for:		
– Impairment loss of buildings	5,468	–
– Impairment loss of goodwill	1,884	–
– Impairment loss of deposit and other loans receivable	72,300	174
– Depreciation	4,358	4,226
– Amortisation of land lease premium	526	526
– Amortisation of goodwill	–	209
– Finance costs	6,138	5,473
– Finance lease charges	17	13
– Bank interest income	(4)	(85)
– Interest from loans receivable	(2,416)	(3,550)
– Overprovision of taxation in prior years	(677)	–
– Overprovision of provident fund and insurance in prior years	(92)	–
– Overprovision of legal fee in prior years	(1,000)	–
– Loss on disposal of discontinued operation	–	156
– Loss on disposal of an associate	–	2,346
– Share of results of an associate	–	(1,826)
– (Gain) loss on disposal of fixed assets	(24)	75
– (Gain) on disposal of subsidiaries	(11,478)	(431)
– Equity settled share-based transactions	3,125	615
Operating profit (loss) before changes in working capital	1,595	(11,235)
Decrease in inventories	–	12
(Increase) in trade and other receivables	(5,056)	(6,567)
(Increase) in amount due from an investee company	(2,168)	(5,476)
Increase in trade and other payables	3,396	4,962
Cash (used in) operations	(2,233)	(18,304)
Tax paid		
– Profits tax and PRC enterprise income tax paid	(1,236)	(314)
Net cash (used in) operating activities	(3,469)	(18,618)

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For the year ended 31 March 2006

	Note	2006 HK\$'000	2005 Restated HK\$'000
Investing activities			
Purchases of investments in securities		–	(417)
New loans receivable		(23,500)	(71,569)
Payment for purchase of fixed assets		(1,389)	(299)
Payment of deposit		(42,000)	–
Proceeds from disposal of fixed assets		413	–
Proceeds from disposal of an associate		–	25,787
Proceeds from disposal of deposit paid on acquisition of additional interest in an associate		–	12,613
Disposal of subsidiaries		(212)	–
Repayment of loans receivable		64,819	34,058
Interest received from loans receivable		5,970	647
Interest received from bank		4	85
Net cash inflow on acquisition of subsidiaries		–	642
		4,105	1,547
Financing activities			
Payment of bank loan interests		(5,694)	(5,473)
Payment of other loan interests		(151)	–
Payment of bank interests		(10)	–
Repayment of bank loans		(86,009)	(116,004)
Finance lease charges paid		(17)	(13)
Repayment to minority shareholders		–	(139)
Advance from minority shareholders		50	–
Repayment of obligations under a finance lease		(124)	(79)
Repayment from (to) ultimate holding company		29	(6)
Advance from ultimate holding company		59	–
New bank loans raised		86,875	96,862
New other loans raised		3,226	–
Net proceeds from issue of shares		–	20,736
		(1,766)	(4,116)
Net (decrease) in cash and cash equivalents		(1,130)	(21,187)
Cash and cash equivalents at 1 April		4,183	25,365
Effect of foreign exchange rate changes		(1,268)	5
Cash and cash equivalents at 31 March	22	1,785	4,183

Note: Bank balances and cash of approximately HK\$1,785,000 (2005: HK\$4,183,000) were denominated in Renminbi ("RMB"). The conversion of these balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the government of mainland China.

The notes on pages 41 to 103 form part of these financial statements.