

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2006

	2006 HK\$'000	2005 HK\$'000
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES		
Operating (loss)/profit	(21,754)	19,329
Fair value changes on investment properties	13,913	(28,936)
Interest income	(479)	(65)
Depreciation	1,514	4,961
Dividend income	–	(8,670)
Writing off of property, plant and equipment	511	3,187
Gain on assignment of loan from E-Rapid	–	(6,860)
Amortisation of goodwill	–	244
Impairment on goodwill	4,632	10,634
Provision for inventories	1,324	325
Loss/(gain) on disposal of property, plant and equipment	5	(967)
Provision for trade receivables	76	1,898
Provision for other receivables	–	136
Writing back of provision for trade receivables	(5,328)	–
Writing back of provision for other receivables	(136)	(11,166)
Reverse of impairment loss on investment in securities	–	(300)
Writing back of provision for obsolete stock	(126)	–
Operating loss before working capital changes	(5,848)	(16,250)
Increase in inventories	(153)	(390)
Decrease/(increase) in trade receivable	5,892	(1,123)
(Increase)/decrease in prepayments, deposits and other receivables	(17,358)	9,326
Decrease in amount due to a fellow subsidiary	–	(7)
(Increase)/decrease in amount due from a fellow subsidiary	(208)	120
Decrease/(increase) in rental and utility deposits	802	(741)
Increase in due from related companies	–	(135)
Increase in coupon liabilities	1,254	5,068
Increase in deposit received	4,111	1,870
Decrease in trade payables	(2,926)	(992)
Decrease in accrued liabilities and other payables	(2,643)	(4,557)
Increase due to minority shareholder of a subsidiary	939	–
Net cash used in operations	(16,138)	(7,811)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2006

	Note	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries	33	–	(55,128)
Purchase of property, plant and equipment		(2,955)	(790)
Dividend received		–	8,670
Interest received		479	65
Proceeds from disposal of property, plant and equipment		60	5,090
Proceeds from disposal of investment in securities		1,200	–
Decrease in pledged bank deposits		–	500
NET CASH USED IN INVESTING ACTIVITIES		(1,216)	(41,593)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(3,000)	(2,786)
Payment for assignment of loans from Praise Value		–	(42,675)
Repayment to E-Rapid		–	(13,754)
Payment for assignment of loan from E-Rapid		–	(5,000)
Repayment of bank loan		–	(3,040)
Issued of new shares		57,600	–
Decrease in other loan receivable		–	100,000
New bank loans		–	50,000
New other loan		50,000	–
Repayment of loan from a related party		(50,000)	(50,000)
Increase in amount due to a minority shareholder		–	19,262
NET CASH GENERATED FROM FINANCING ACTIVITIES		54,600	52,007
INCREASE IN CASH AND CASH EQUIVALENTS		37,246	2,603
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		3,190	587
CASH AND CASH EQUIVALENTS AT END OF YEAR		40,436	3,190
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		40,436	3,190

Cash and bank balances of approximately HK\$27,735,000 (2005: HK\$57,000) were denominated in Renminbi. 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 32 to 76 form an integral part of these financial statements.