

Consolidated Cash Flow Statement

For the year ended 30 April 2006

	2006 HK\$'000	2005 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	(57,915)	(24,914)
Adjustments for:		
Income tax	4,905	2,859
Allowance for amounts due from associates	2,660	474
Allowance for and write-off of bad and doubtful debts	70	635
Amortisation of goodwill	–	1,198
Depreciation	12,046	15,296
Finance costs	101	77
Gain on deemed disposal of subsidiaries	–	(10,346)
Gain on disposal of fixed assets	–	(2,609)
Impairment loss on fixed assets	22,110	–
Impairment loss on goodwill	2,395	–
Loss on disposal of a shareholder's loan	–	6,859
Share of results of a jointly-controlled entity and associates	(444)	7,832
Write-off of fixed assets	–	881
Write-off of inventories	21	1,325
Write-off of deposits and other receivables	759	–
Write-off of rental deposit	6,828	–
Write-off of staff advances	–	424
Dividend income	(7)	–
Interest income	(1,419)	–
Net realised gain on disposal of financial assets at fair value through profit or loss	(1,092)	–
Net unrealised gain on financial assets at fair value through profit or loss	(181)	–
Net realised loss on disposal of short term investments	–	165
Operating (loss)/profit before working capital changes	(9,163)	156

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Operating (loss)/profit before working capital changes	(9,163)	156
Increase in amounts due from associates	(2,086)	(5,870)
(Increase)/Decrease in rental and utility deposits	(743)	3,022
(Increase)/Decrease in inventories	(2,201)	3,359
Decrease in merchandise held for sale	14	–
Increase in accounts receivable	(257)	(1,686)
Decrease in moneylending loan receivables	258	–
Increase in deposits, prepayments and other receivables	(2,398)	(4,760)
Decrease/(Increase) in staff advances	1,615	(1,178)
Decrease in amount due from a jointly-controlled entity	458	133
Decrease/(Increase) in amounts due from related companies	75	(84)
Decrease in accounts payable	(834)	(3,562)
Increase in accruals and deposits received	4,660	9
Increase in amount due to former ultimate holding company	278	–
Increase in amount due to ultimate holding company	36	–
Decrease in coupon liabilities	–	(242)
Decrease in other payables	(1,007)	(1)
Cash used in operations	(11,295)	(10,704)
Interest paid	(92)	(57)
Interest element on finance lease payables	(9)	(20)
Hong Kong profits tax refund/(paid)	56	(2,089)
Net cash used in operating activities	(11,340)	(12,870)

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	<i>Note</i>	2006 HK\$'000	2005 HK\$'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,419	–
Dividend received from a jointly-controlled entity		1,047	–
Dividend received from other equity investments		7	–
Purchases of fixed assets		(2,235)	(7,316)
Proceeds from disposal of fixed assets		–	5,938
Deposits paid for acquisition of fixed assets		(4,858)	–
Deposit paid for a restaurant		–	(3,000)
Purchases of financial assets at fair value through profit or loss		(37,806)	–
Purchases of short term investments		–	(3,410)
Proceeds from disposal of financial assets at fair value through profit or loss		26,834	–
Proceeds from disposal of short term investments		–	2,151
Acquisition of subsidiaries	40	(10,881)	–
Deemed disposal of subsidiaries	41	–	(292)
Proceeds from disposal of a shareholder's loan		–	5,000
Net cash used in investing activities		(26,473)	(929)
CASH FLOWS FROM FINANCING ACTIVITIES			
Deposit received from subscription*		–	5,000
Proceeds from issue of shares*		177,399	4,002
Share issue expenses		(16,082)	(135)
Repurchase of shares		(4,560)	–
New bank loan		19,417	1,500
Repayment of bank loans		–	(1,691)
Capital element of finance lease payables		(252)	(197)
(Decrease)/Increase in amounts due to directors		(1,668)	2,176
Net cash from financing activities		174,254	10,655

* In the prior year, a cash deposit from subscription of HK\$5,000,000 was received by the Group which was classified as deposit received.

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NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	136,441	(3,144)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	2,991	6,135
Effect of foreign exchange rate changes	19	–
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	139,451	2,991
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank deposits	139,451	2,991