

CONSOLIDATED CASH FLOW STATEMENT

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For the Year ended 31 March 2007

	Note	2007 HK\$	2006 HK\$ (restated)
Operating activities			
Profit/(loss) before taxation			
From continuing operations		14,663,465	(5,042,022)
From discontinued operations		(28,551,269)	(24,653,252)
Adjustments for:			
Amortisation of land lease premium		74,070	114,359
Finance costs		1,927,130	2,387,099
Interest income on bank deposits		(173,067)	(16,603)
Depreciation		1,373,552	3,204,900
Gain on disposal of property, plant and equipment		(9,089,307)	–
Fair value adjustments of investment properties		(15,145,560)	(205,212)
Surplus on revaluation of buildings		(100,000)	(828,679)
Negative goodwill	35(a)	(3,405,803)	–
Gain on disposal of subsidiaries	35(b)	(2,440,813)	–
Write-off of plant and equipment		5,507,581	–
Impairment loss on slow-moving and obsolete inventories		5,191,601	53,265
Write back on due from associates		–	(770,825)
Foreign exchange (gain)/loss, net		(118,266)	271,998
Operating loss before changes in working capital		(30,286,686)	(25,484,972)
Decrease in inventories		1,837,320	8,342,661
(Increase)/decrease in trade and bills receivables		(1,857,767)	2,250,360
Decrease in other receivables, deposits and prepayment		1,208,499	1,535,722
(Decrease)/increase in trade payables		(4,435,945)	1,538,820
(Decrease)/increase in other payables and accruals		(2,854,437)	1,220,381
Decrease in due to associates		–	(884,580)
Decrease in due to directors		(1,422,743)	(1,070,790)
Cash used in operations		(37,811,759)	(12,552,398)
Tax paid		(294,213)	(21,268)
Net cash used in operating activities		(38,105,972)	(12,573,666)

CONSOLIDATED CASH FLOW STATEMENT

For the Year ended 31 March 2007

	<i>Note</i>	2007 HK\$	2006 <i>HK\$</i> (restated)
Investing activities			
Purchase of plant and equipment		(672,507)	(3,228,086)
Interest received		173,067	16,603
Cash outflow from acquisition of subsidiaries	35(a)	(17,215,220)	–
Cash outflow from disposal of subsidiaries	35(b)	(1,302,167)	–
Net proceeds from disposal of investment properties		73,529,412	–
Increase in pledged deposits		(1,000,000)	–
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Net cash generated from/(used in) investing activities		53,512,585	(3,211,483)
Financing activities			
Proceeds from issue of shares		39,900,100	12,480,000
Inception of bank loans		–	23,335,602
Repayment of bank loans		(32,558,256)	(21,821,872)
Inception of finance leases		–	1,615,000
Capital element of finance lease rentals paid		(667,789)	(922,957)
Interest element of finance lease rentals paid		(52,653)	(71,231)
Interest paid		(1,874,477)	(2,315,868)
Share issuance expense		(153,465)	(199,311)
Repayment to a related party		(13,882,280)	(328,654)
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Net cash (used in)/generated from financing activities		(9,288,820)	11,770,709
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Net increase/(decrease) in cash and cash equivalents		6,117,793	(4,014,440)
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Cash and cash equivalents, at beginning of year		(315,995)	3,698,445
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Cash and cash equivalents, at end of year		5,801,798	(315,995)
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Analysis of the balances of cash and cash equivalents			
Cash and cash equivalents	23	5,801,798	310,189
Secured bank overdrafts	29	–	(626,184)
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		5,801,798	(315,995)
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The notes on pages 34 to 109 form an integral part of these financial statements.