

Consolidated Cash Flow Statement

For the year ended 31 March 2006
(Expressed in Hong Kong dollars)

Note	2006 \$'000	2005 (restated) \$'000
Operating activities		
Profit from ordinary activities before taxation	12,968	34,831
Adjustments for:		
– Dividend income from listed securities	(86)	–
– Depreciation	1,014	187
– Finance costs	17,705	2,495
– Impairment loss on amount due from jointly controlled entity	2,888	2,400
– Net (gain)/loss on disposal of fixed assets	(5)	136
– Share of (profit)/loss of associate	(5,784)	1,351
– Share of (profits)/losses of jointly controlled entities	(704)	3,198
– Change in fair value of investment properties	(39,838)	(40,464)
– Interest income	(2,273)	(1,332)
– Write-back of long-outstanding payables	–	(1,352)
– Net realised and unrealised gains on trading securities carried at fair value	(2,158)	–
– Equity-settled share-based payment expenses	2,109	852
– Impairment loss on trade receivables	556	–
– Impairment of goodwill	11,411	–
– Effect of foreign exchange rate	310	–
Operating results before changes in working capital	(1,887)	2,302
Decrease in trade and other receivables	12,070	702
Increase in properties held for sale	(7,634)	–
Increase in security deposits	(9,147)	–
Increase/(decrease) in other payables and accruals	4,437	(7)
Cash (used in)/generated from operations	(2,161)	2,997
Tax refund received	89	293
Hong Kong Profits Tax paid	(620)	(674)
Net cash (used in)/generated from operating activities	(2,692)	2,616

Consolidated Cash Flow Statement (Continued)

For the year ended 31 March 2006
(Expressed in Hong Kong dollars)

	Note	2006 \$'000	2005 (restated) \$'000
Investing activities			
Interest received		594	75
Dividend received from listed securities		86	–
Dividend received from jointly controlled entity		500	–
Proceeds from disposal of fixed assets		158	441
Proceeds from disposal of other investments		–	5,850
Net cash inflow upon acquisition of subsidiaries	32	5,548	–
Loans to jointly controlled entities		–	(39,623)
Loan to associate		(40,000)	–
Loans to employees		(18,077)	–
Payments for acquisition of associate		–	(631)
Contribution made to Gobi Fund		–	(2,340)
Payments for purchase of fixed assets		(5,041)	(5,311)
Proceeds from disposal of trading securities		12,950	–
Payment for purchases of trading securities		(11,017)	–
Net cash used in investing activities		(54,299)	(41,539)
Financing activities			
Proceeds from convertible notes		–	70,000
Repayment of bank loans		(24,412)	(12,773)
Repayment of loan from a related company		–	(12,078)
Payment of loan interest		(10,099)	(2,495)
Amount due to a related company		26,302	–
Amount due to minority shareholders		18,934	–
Proceeds from bank loans		59,500	–
Addition of pledged deposits		(20,261)	–
Release of pledged deposits		20,005	–
Net cash generated from financing activities		69,969	42,654
Net increase in cash and cash equivalents		12,978	3,731
Cash and cash equivalents at the beginning of the year		13,314	9,583
Cash and cash equivalents at the end of the year	21	26,292	13,314

The notes on pages 40 to 108 form part of these financial statements.