

Consolidated Cash Flow Statement

Year ended 31 March 2005

	Notes	2005 HK\$'000	2004 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES #			
Loss before tax		(16,089)	(20,224)
Adjustments for:			
Interest income from an associate	6	–	(2,529)
Other interest income not included in turnover	6	(430)	(779)
Depreciation	6	728	712
Unrealised holding losses/(gains) of other investments, net		9,705	(12,645)
Impairment of goodwill arising during the year	6	2,688	–
Loss on disposal of fixed assets	6	361	–
Loss/(gain) on disposal of subsidiaries	27(b)	496	(23,867)
Gains arising from changes in the fair values of investment properties	6	(18,911)	(871)
Gain on disposal of investment properties	6	(257)	–
Provision for the settlement of legal proceedings	6	–	4,800
Provision for bad and doubtful debts	6	5,322	10,463
Provision for impairment of investment securities	6	46,212	19,400
Finance costs	9	2,454	7,411
Operating profit/(loss) before working capital changes		32,279	(18,129)
Decrease in prepayments, deposits and other receivables		2,532	13,268
Decrease/(increase) in other investments		(85,800)	33,763
Decrease/(increase) in loans receivable		11,801	(72,420)
Decrease in other payables and accrued liabilities		(24,950)	(9,522)
Decrease in other loans		–	(34,209)
Cash used in operations		(64,138)	(87,249)
Interest received		430	779
Interest paid		(2,454)	(56)
Overseas tax paid		–	(5)
Net cash outflow from operating activities		(66,162)	(86,531)

Included in "Cash Flows From Operating Activities" above are interest and dividends received from the Group's principal activities amounting to HK\$6,181,000 (2004: HK\$9,362,000) and HK\$6,819,000 (2004: HK\$11,680,000), respectively.

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Year ended 31 March 2005

	Notes	2005 HK\$'000	2004 HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(17,496)	(25)
Acquisition of subsidiaries	27(a)	(3,594)	(7,985)
Disposal of held-to-maturity securities		7,500	–
Purchases of investment securities		(630)	(28,525)
Loan to an investee company		–	(40,000)
Loan advance		(50,000)	–
Disposal of subsidiaries	27(b)	3,600	17,985
Purchase of investment properties		(36,889)	–
Disposal of investment properties		8,797	–
Net cash outflow from investing activities		<u>(88,712)</u>	<u>(58,550)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from rights issue of shares	24	25,200	–
Proceeds from placement/allotment of new shares	24	98,638	68,497
Proceeds from warrants/options exercised	24	37,851	213
Share issue expenses	24	(1,540)	(1,412)
Drawdown of bank and other borrowings		30,000	3,150
Repayment of bank and other borrowings		(4,009)	(184)
Redemption of Convertible Notes	22(b)	(23,000)	–
Deposits for Convertible Notes received	20	–	75,000
Net cash inflow from financing activities		<u>163,140</u>	<u>145,264</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		<u>743</u>	<u>560</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>9,009</u></u>	<u><u>743</u></u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		<u><u>9,009</u></u>	<u><u>743</u></u>