

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March, 2006

	2006 <i>HK\$'000</i>	2005 <i>HK\$'000</i> (restated)
OPERATING ACTIVITIES		
(Loss) profit before taxation	(70,435)	14,085
Adjustments for:		
Finance costs	36,818	7,554
Share of results of an associate	5	–
(Reversal of) allowance for amount due from an associate	(3)	17
Amortisation of intangible assets	171	71
Amortisation of goodwill	–	1,051
Interest income	(19,323)	(595)
Depreciation of property, plant and equipment	10,246	8,809
Allowance for inventories	5,964	7,272
Amortisation of prepaid lease payments	30	27
Doubtful debts provided	–	1,729
Loss arising from change in fair value of financial assets at fair value through profit or loss	1,645	–
Impairment loss recognised in respect of goodwill arising from acquisition of subsidiaries	21,885	–
Impairment loss of property, plant and equipment	25,851	–
Loss on disposal of property, plant and equipment	544	66
Gain on disposal of investments in securities	–	(30)
Loss on disposal of investment properties	–	3,217
Write-off of intangible assets	299	645
Decrease in fair value of investments held-for-trading	4,401	–
Unrealised holding loss of other investments	–	4,226
Release of negative goodwill	–	(2,224)
Operating cash flows before movements in working capital	18,098	45,920
Decrease (increase) in amount due from an associate	3	(17)
Increase in inventories	(17,543)	(6,199)
Decrease in properties held for sale	–	60,534
Increase in investments held-for-trading	(3,155)	–
Increase in debtors, deposits and prepayments	(341)	(4,514)
Increase in creditors and accrued charges	9,449	4,900
Cash generated from operations	6,511	100,624
Overseas taxation paid	(2,425)	(768)
Interest paid	(6,686)	(4,261)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(2,600)	95,595

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	<i>Note</i>	2006 HK\$'000	2005 HK\$'000 (restated)
INVESTING ACTIVITIES			
Proceeds from disposal of financial assets at fair value through profit or loss		48,214	–
Interest received		14,682	296
Proceeds from disposal of property, plant and equipment		1,146	476
Proceeds from disposal of investment properties		–	4,983
Proceeds from disposal of investments held-for-trading/investments in securities		–	1,903
Deposits paid for acquisition of subsidiaries and associates		(253,964)	–
Refundable earnest money paid		(150,136)	–
Acquisition of financial assets at fair value through profit or loss		(49,859)	–
Increase in loan receivables		(32,449)	(31,500)
Purchase of property, plant and equipment		(10,172)	(3,081)
Development cost incurred		(1,441)	(1,467)
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	35	(1,297)	(22,861)
Capital contributions to an associate		(5)	–
Increase in pledged bank deposits		–	(3,000)
NET CASH USED IN INVESTING ACTIVITIES		(435,281)	(54,251)
FINANCING ACTIVITIES			
Net proceeds from issue of convertible notes		988,867	97,501
Capital contribution of minority shareholders		924	–
New bank and other borrowings raised		264	96,225
Repayment of obligations under finance leases		(12)	(16)
Proceeds from issue of shares		–	80,489
Repayment of bank and other borrowings		(22,865)	(205,596)
Repayment of promissory notes		(13,000)	–
Expenses paid in connection with issue of shares		–	(2,623)
NET CASH FROM FINANCING ACTIVITIES		954,178	65,980
NET INCREASE IN CASH AND CASH EQUIVALENTS		516,297	107,324
CASH AND CASH EQUIVALENTS AT 1ST APRIL		187,980	80,136
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		1,203	520
CASH AND CASH EQUIVALENTS AT 31ST MARCH, represented bank balances and cash		705,480	187,980