

Consolidated Cash Flow Statement

For the year ended 31 March 2006

	<i>Notes</i>	2006 <i>HK\$'000</i>	2005 <i>HK\$'000</i> (Restated)
OPERATING ACTIVITIES			
Loss before taxation		(108,588)	(72,401)
Adjustments for:			
Depreciation and amortisation of property, plant and equipment	15	11,227	9,902
Amortisation of interests in leasehold land and land use rights	14	1,595	1,565
Amortisation of goodwill	18	–	332
Impairment of trade receivables		17,738	–
Surplus arising on revaluation of investment properties	13	(1,008)	(10,566)
Share of losses of associates		9,473	–
Gain on disposal of investment properties		–	(1,180)
Loss on disposal of property, plant and equipment		40	69
Gain on disposal of subsidiaries	36	(237)	–
Interest income		(421)	(183)
Interest expenses		26,135	34,491
Operating cash flows before movements in working capital		(44,046)	(37,971)
Decrease in inventories		–	957
Increase in properties under development for sale		(2,143)	(94,199)
(Increase)/Decrease in trade and other receivables and prepayments		(77,024)	170,908
Decrease in amount due from an associate		4,822	–
(Increase)/Decrease in financial assets at fair value through profit or loss		(18)	220
Decrease in bank trust and segregated accounts		3,347	1,919
Decrease/(Increase) in construction contract under progress		3,266	(3,266)
(Decrease)/Increase in trade and other payables and deposits received		(2,046)	107,553
(Decrease)/Increase in amount due to a related company		(40,105)	33,949
Decrease in loan receivable		8,200	2,400
Cash (used in)/generated from operations		(145,747)	182,470
Profits tax paid		(277)	(771)
Interest received		421	183
Net cash (used in)/generated from operating activities		(145,603)	181,882

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INVESTING ACTIVITIES			
Purchase of investment properties		–	(31,888)
Purchase of property, plant and equipment		(33,275)	(221,907)
Proceeds on disposal of investment properties		–	127,180
Proceeds on disposal of property, plant and equipment		23	337
Proceeds on disposal of subsidiaries	36	131,233	–
Acquisition of investment in an associate		–	(943)
Net refund/(payment) in other non-current assets		362	(112)
Net cash generated from/(used in) investing activities		98,343	(127,333)
FINANCING ACTIVITIES			
Proceeds from issue of shares		–	14,490
Interest paid		(20,094)	(17,527)
New bank loan raised		28,846	278,534
Repayment of obligations under finance leases		(64)	(199)
Repayment of bank loans		(25,991)	(315,083)
Repayment of other loans		(65,000)	–
Repayment of bank overdraft		–	(6,945)
Proceeds from issue of convertible notes	31	90,000	–
Net cash generated from/(used in) investing activities		7,697	(46,730)
Net (decrease)/increase in cash and cash equivalents		(39,563)	7,819
Cash and cash equivalents at 1 April 2005/2004		55,737	47,951
Effect of foreign exchange rate changes		720	(33)
Cash and cash equivalents at 31 March		16,894	55,737
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		22,171	64,361
Less: Bank balances – trust and segregated accounts	25	(5,277)	(8,624)
		16,894	55,737

The accompanying notes form an integral part of these financial statements.