

Consolidated Cash Flow Statement

For the year ended 31 March 2006

	2006 HK\$'000	2005 HK\$'000 (restated)
OPERATING ACTIVITIES		
Loss before taxation	(159,357)	(162,931)
Adjustments for:		
Allowances for trade and other debtors	6,842	8,166
Allowances for amounts due from associates	33,704	5,591
Allowance for amount due from a jointly controlled entity	2,234	–
Amortisation of prepaid lease payments	335	335
Amortisation of development costs	17,105	23,818
Depreciation of property, plant and equipment	6,213	7,087
Dividend income	(85)	(82)
Interest expense	3,893	9
Interest income	(922)	(328)
Loss on disposal of property, plant and equipment	60	219
Write-down of inventories	3,786	14,294
Gain on disposal of held-for-trading investments	(273)	–
Net realised loss on investments in securities	–	342
Decrease in fair value of held-for-trading investments	404	–
Net unrealised loss on other investments	–	42,324
Share of results of associates	8,240	10,034
Share of result of a jointly controlled entity	740	1,526
Gain on disposal of subsidiaries	(290)	–
Increase in fair value of investment properties	(2,736)	–
Impairment loss recognised in respect of development costs	15,850	6,700
Impairment loss recognised in respect of goodwill in reserve	–	10,777
Impairment loss recognised in respect of premium on formation of a jointly controlled entity	–	3,491
Write back of impairment loss previously recognised in respect of prepaid lease payments and property, plant and equipment	–	(23,000)
Recognition of equity-settled share-based payments	1,249	–
Operating cash flows before movements in working capital	(63,008)	(51,628)
Increase in inventories	(334)	(2,106)
Decrease (increase) in trade debtors	2,374	(1,339)
Decrease in other debtors, deposits and prepayments	11,994	5,752
Decrease in amounts due from fellow subsidiaries of an associate	1,938	28
(Decrease) increase in trade creditors	(2,282)	4,163
Decrease in other creditors and accrued charges	(1,963)	(3,181)
Decrease in amounts due to fellow subsidiaries of an associate	(434)	(21)
Increase in held-for-trading investments	(1,647)	–
Dividend received from held-for-trading investments	85	–

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	Note	2006 HK\$'000	2005 HK\$'000 (restated)
NET CASH USED IN OPERATIONS		(53,277)	(48,332)
Interest received		922	328
Hong Kong Profits Tax paid		(34)	(62)
NET CASH USED IN OPERATING ACTIVITIES		(52,389)	(48,066)
INVESTING ACTIVITIES			
Advances to associates		(10,545)	(17,318)
Advance to a jointly controlled entity		(694)	(1,458)
Purchase of property, plant and equipment		(310)	(1,164)
Proceeds from disposal of property, plant and equipment		52	5
Proceeds from disposal of subsidiaries	33	30	–
Additions to development costs		–	(17,438)
Purchase of investments in securities		–	(2,331)
Proceeds from disposals of investments in securities		–	2,577
Dividend received from investments in securities		–	82
NET CASH USED IN INVESTING ACTIVITIES		(11,467)	(37,045)
FINANCING ACTIVITIES			
Proceeds from issue of shares		48,193	30,583
Net proceeds from issue of warrants		24,145	–
Interest paid		(3,893)	(9)
Repayment of obligations under finance leases		(57)	(34)
Share issue expenses		(7)	(51)
NET CASH FROM FINANCING ACTIVITIES		68,381	30,489
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		4,525	(54,622)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		15,194	69,809
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		(183)	7
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		19,536	15,194
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and deposits with other financial institutions		19,536	15,194