

## CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2006

	Notes	2006 HK\$'000	2005 HK\$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES#</b>			
Loss before tax		(21,269)	(16,474)
Adjustments for:			
Finance costs	7	4,760	3,833
Other interest income not included in revenue	5	(4,735)	(430)
Depreciation	6	2,438	728
Fair value gains of equity investments at fair value through profit or loss, net		(77,406)	–
Unrealised holding losses of other investments, net		–	9,705
Impairment of goodwill	6	–	2,688
Losses on disposal of items of property, plant and equipment	6	16	361
Loss/(gain) on disposal of subsidiaries	6	(118)	496
Changes in fair value of investment properties	14	(13,183)	(18,911)
Gain on disposal of investment properties	6	–	(257)
Impairment of loans receivables	6	4,040	5,322
Impairment for loan interest receivables	6	704	133
Write-back of bad debt provision	6	625	–
Impairment of available-for-sale investments/investment securities	6	57,572	46,212
Provision for equity investments at fair value through profit or loss		279	–
Gains on redemption of convertible notes	5	(1,030)	(994)
Equity-settled share option expenses	6	674	–
Fair value loss on a derivative financial instrument	6	210	–
Operating profit/(loss) before working capital changes		(46,423)	32,412
Increase in equity investments at fair value through profit or loss/other investments		(146,506)	(85,800)
Decrease/(increase) in loans receivables		(114,950)	11,801
Increase/(decrease) in prepayments, deposits and other receivables		(8,505)	2,399
Decrease/(increase) in other payables and accruals		12,305	(24,950)
Cash used in operations		(304,079)	(64,138)
Interest received		17	430
Interest paid		(2,629)	(2,454)
Hong Kong profits tax paid		(30)	–
Net cash outflow from operating activities		(306,721)	(66,162)

# Included in "Cash Flows From Operating Activities" above are interest and dividends received from the Group's principal activities amounting to HK\$16,861,000 (2005: HK\$6,181,000) and HK\$439,000 (2005: HK\$6,819,000), respectively.

# CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2006



	Notes	2006 HK\$'000	2005 HK\$'000 (Restated)
Net cash outflow from operating activities		<u>(306,721)</u>	<u>(66,162)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of items of property, plant and equipment		<b>(13,586)</b>	(17,496)
Proceeds from disposal of items of property, plant and equipment		<b>2,846</b>	–
Acquisition of subsidiaries	28(a)	–	(3,594)
Disposal of held-to-maturity securities		–	7,500
Purchases of available-for-sale investments/ investment securities		<b>(13,816)</b>	(630)
Loan advance		–	(50,000)
Disposal of subsidiaries	28(b)	<b>292</b>	3,600
Purchases of investment properties	14	<b>(66,117)</b>	(36,889)
Disposal of investment properties		–	8,797
Repayment of a loan to an investee company		<b>40,000</b>	–
Deposit paid for purchase of investment properties		<b>(39,900)</b>	–
Deposit for purchase of an investment property refunded		<b>35,000</b>	–
Other deposits paid		<b>(2,450)</b>	–
Net cash outflow from investing activities		<u><b>(57,731)</b></u>	<u>(88,712)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from rights issue of shares	25	<b>234,754</b>	25,200
Proceeds from placement/allotment of new shares	25	<b>113,075</b>	98,638
Proceeds from warrants/options exercised	25	<b>4,261</b>	37,851
Share issue expenses	25	<b>(10,151)</b>	(1,540)
Drawdown of bank borrowings		<b>32,760</b>	30,000
Repayment of bank borrowings		<b>(3,265)</b>	(4,009)
Redemption of convertible notes		<b>(38,247)</b>	(23,000)
Issue of convertible notes		<b>64,000</b>	–
Repurchase of shares	25	<b>(4,649)</b>	–
Net cash inflow from financing activities		<u><b>392,538</b></u>	<u>163,140</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of year		<u><b>9,009</b></u>	<u>743</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<u><b>37,095</b></u>	<u>9,009</u>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		<u><b>37,095</b></u>	<u>9,009</u>