

Consolidated Cash Flow Statement

For the year ended 31 March 2006

	Notes	2006 HK\$'000	2005 HK\$'000
Operating activities			
Loss before taxation		(131,092)	(96,752)
Adjustments for:			
Impairment loss recognised in respect of goodwill		–	7,737
Impairment loss recognised in respect of unlisted investments		–	10,700
Impairment loss recognised in respect of investment deposits		25,000	–
Impairment loss recognised in respect of investments held for trading		27,764	–
Impairment loss recognised in respect of loan, margin and loan interest receivables		69,187	–
Unrealised losses on listed investments		–	68
Depreciation		3,147	3,460
Interest income		(902)	(2,295)
Interest expense		2,245	365
Interest on obligations under finance leases		40	29
Provision for doubtful debts		2,562	8,567
Bad debts written off		315	–
Gain on investments held for trading		(269)	–
Gain on disposal of subsidiaries	45	(25,927)	(595)
Loss on disposal of property, plant and equipment		1,835	737
Loss on disposal of listed investments		–	4,753
Motor vehicle expenses settled through finance lease		–	6
Share of results of associates		–	3,596
Share of result of a joint venture		–	2,601
Amortisation of goodwill		–	360
Amortisation of intangible asset		251	251
Provision for obsolete inventories		13	115
Provision for amount due from an investee company		–	5,995
Provision for amount due from an associate		467	22,354
Equity-settled share-based payment		1,694	–
Operating cash outflows before movements in working capital		(23,670)	(27,948)
Decrease in inventories		207	600
Decrease in amounts due from customers for contract work		4,327	3,722
Decrease in progress payments receivable		2,033	8,974
Decrease in retention money receivables		958	3,141
Decrease in development rights		–	3,000
(Increase) decrease in accounts receivable		(13,665)	18,633
Decrease in amounts due from minority interests		–	490
(Increase) decrease in prepayments, deposits and other receivables		(7,332)	18,301
Increase in amount due from an associate		2,030	(13)
Decrease in retention money payables		(583)	(1,045)
Increase (decrease) in accounts payable, other payables and accrued charges		15,508	(13,771)
Increase in amounts due to associates		(2,940)	860
Increase in amount due to a related company		890	–
(Decrease) increase in bills payable		(466)	482
Cash from (used in) generated from operations		(22,703)	15,426
Interest received		902	2,295
Interest paid		(2,245)	(365)
Interest on obligations under finance leases		(40)	(29)
Hong Kong Profits Tax paid		–	(559)
Net cash (used in) generated from operating activities		(24,086)	16,768

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Investing activities			
Purchase of property, plant and equipment		(233)	(1,689)
Purchase of subsidiaries		–	(539)
Purchase of investments held for trading		(5,942)	–
Investments in associates		–	(6,769)
Refund of other assets		–	165
Refund of investment deposits		25,000	–
Payment of investment deposits		(20,000)	(6,000)
Deposits paid for construction in progress		–	(78,427)
Placement of pledged bank deposits		(56)	–
Pledged bank deposits released		–	2,005
Increase in loans receivable		(20,045)	(2,835)
Increase in loans payable		320	–
Proceeds from disposal of property, plant and equipment		120	943
Proceeds from disposal of listed investments		15,711	11,759
Disposal of subsidiaries	45	(584)	4
Payment of construction in progress		–	(31,890)
Net cash used in investing activities		(5,709)	(113,273)
Financing activities			
Proceeds on issue of ordinary shares, net of issue expenses		30,129	14,445
New borrowings obtained		20,000	–
Repayment of other borrowings		(8,282)	–
Repayment of obligations under finance leases		(405)	(339)
Contribution from minority shareholders		–	51,213
Net cash generated from financing activities		41,442	65,319
Increase (decrease) in cash and cash equivalents		11,647	(31,186)
Cash and cash equivalents at the beginning of the year		1,899	32,617
Effect of foreign exchange rate changes		–	468
Cash and cash equivalents at the end of the year		13,546	1,899
Analysis of the balance of cash and cash equivalents			
Bank balances and cash		16,045	11,296
Fixed deposits		1,599	–
Bank overdrafts (secured)		(4,098)	(9,397)
		13,546	1,899

The notes on pages 43 to 111 form part of these financial statements.