

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2006

	Note	2006 HK\$'000	2005 (restated) HK\$'000
<b>OPERATING ACTIVITIES</b>			
Loss before taxation		(152,665)	(41,649)
Adjustments for:			
Depreciation		2,666	4,947
Finance costs		13,891	21,109
Interest income		(635)	(678)
Loss on disposal of fixed assets		240	371
Increase in fair value of hotel property		(3,240)	(429)
Amortisation of intangible assets		—	11,280
Amortisation of positive goodwill		—	6,989
Impairment loss of goodwill		53,442	—
Impairment loss for bad and doubtful debts		12,404	14
Impairment loss of amount due from a deconsolidated subsidiary		990	—
Impairment loss of interest in an associate		—	37,060
Impairment loss of available-for-sale securities		77,730	—
Impairment loss of amounts due from investee companies		1,113	—
Impairment loss of loan to an investee company		66	—
Loss on deconsolidation of a subsidiary		103,965	—
Share of losses of associates		7,657	4,760
Waiver of amount due to a shareholder		(114,264)	—
Loss on disposal of an associate		8,136	—
<b>OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL</b>		<b>11,496</b>	<b>43,774</b>
Decrease in inventories		384	10,880
Increase in trade and other receivables		(8,786)	(89,261)
Increase/(decrease) in trade and other payables		9,526	(12,549)
<b>NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>		<b>12,620</b>	<b>(47,156)</b>
<b>INVESTING ACTIVITIES</b>			
Payment for acquisition of available-for-sale securities		(14,024)	—
Advance to investee companies		(1,113)	—
Increase in amount due from a deconsolidated subsidiary		(822)	—
Proceeds from sales of fixed assets		—	1,016
Payment for purchase of fixed assets		(474)	(1,269)
Advance to subsidiaries of an associate		—	(18,214)
Repayment from subsidiaries of an associate		—	18,214
Loans to an investee company		—	(942)
Interest received		635	678
Net cash outflow from deconsolidation of a subsidiary	36	(247)	—
Proceed from disposal of an associate, net of expenses		21,001	—
Repayment of an investee company		4,376	—
<b>NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES</b>		<b>9,332</b>	<b>(517)</b>

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2006

	2006	2005
	HK\$'000	(restated) HK\$'000
Note		
<b>FINANCING ACTIVITIES</b>		
Proceeds from new bank loans	—	141,000
Repayment of bank loans	—	(94,000)
Proceeds from other loan	—	21,200
Repayment of other loan	<b>(21,200)</b>	—
Repayment of promissory note	<b>(39,500)</b>	(38,000)
Repayment of note payable	<b>(26,000)</b>	—
Capital element of finance lease rentals paid	<b>(84)</b>	(118)
Advance from a shareholder	<b>(52,218)</b>	11,220
Repayment to a shareholder	<b>(407)</b>	(7,493)
Advance from subsidiaries of an associate	—	1,620
Repayment to subsidiaries of an associate	—	(1,620)
Interest element of finance lease rentals paid	—	(12)
Interest paid	<b>(8,471)</b>	(17,279)
Other borrowing costs paid	—	(2,170)
Advance from a deconsolidated subsidiary	<b>4,329</b>	—
Repayment to a deconsolidated subsidiary	<b>(2,392)</b>	—
<b>NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES</b>	<b>(41,507)</b>	14,348
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(19,555)</b>	(33,325)
<b>CASH AND CASH EQUIVALENTS AT 1 APRIL</b>	<b>46,349</b>	79,674
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>932</b>	—
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<b>27,726</b>	46,349
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The notes on pages 30 to 94 form part of these financial statements.