

Consolidated Cash Flow Statement

For the year ended 31 March 2006

	Notes	2006 HK\$'000	2005 HK\$'000 (restated)
OPERATING ACTIVITIES			
Loss before taxation		(107,392)	(62,639)
Adjustments for:			
Depreciation of property, plant and equipment		15,437	9,334
Finance costs		7,751	3,108
Gain on disposal of investment properties		(1,920)	—
Impairment loss recognised in respect of property, plant and equipment		11,762	—
Allowance for inventories		1,054	—
Write off of prepaid lease payments		2,303	—
Impairment loss recognised in respect of goodwill		40,095	26,337
Allowance for amounts due from associates		5,000	—
Amortisation of prepaid lease payments		3,630	874
Amortisation of trademarks		84	92
Interest income		(1,910)	(202)
Other loan interest income		(550)	(387)
Loss on disposal of property, plant and equipment		41	84
Gain on disposal of investments held-for-trading		(548)	—
Fair value gain on investments held-for-trading		(265)	—
Increase in fair value of investment properties		—	(4,226)
Gain on recognition of derivative financial instruments		(100)	—
Bad debts written off		2,625	—
Allowance for trade receivables		1,419	5,574
Decrease in deferred franchise income		(139)	(328)
Share of results of associates		1,793	3,186
Impairment loss recognised in respect of goodwill of associates		—	15,202
Operating cash flows before movements in working capital		(19,830)	(3,991)
Decrease (increase) in inventories		2,880	(27,972)
Decrease (increase) in trade and other receivables		29,327	(37,744)
Decrease (increase) in amounts due from associates		6,438	(827)
(Decrease) increase in trade and other payables		(13,997)	24,752
Cash generated from (used in) operation		4,818	(45,782)
Hong Kong Profits Tax paid		(1,698)	(3,782)
Overseas taxation paid		(507)	(59)
Interest received		2,460	589
NET CASH FROM (USED IN) OPERATING ACTIVITIES		5,073	(49,034)

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For the year ended 31 March 2006

	Notes	2006 HK\$'000	2005 HK\$'000
INVESTING ACTIVITIES			
Proceeds from disposal of investment properties		38,020	—
Proceeds from disposal of investments held-for-trading		3,830	—
Dividend income from associates		162	305
Proceeds from disposal of property, plant and equipment		40	1,286
Increase in pledged deposits		(42,703)	—
Purchase of investments held-for-trading		(17,508)	—
Increase in deposits paid for investments		(14,704)	—
Purchase of property, plant and equipment		(8,085)	(39,752)
Increase in long-term bank deposit		(7,762)	—
Advance to an associate		(5,050)	(7,250)
Purchase of investment properties		(4,000)	(36,974)
Purchase of trademarks		(563)	(38)
Acquisition of subsidiaries, net of cash and cash equivalent acquired	39	(77)	(142,917)
Investment in an associate		—	(1,125)
NET CASH USED IN INVESTING ACTIVITIES		(58,400)	(226,465)
FINANCING ACTIVITIES			
Proceeds from issue of new shares, net of expenses		153,211	290,013
New bank loans raised		27,800	73,900
Repayments of bank borrowings		(38,642)	(7,508)
Redemption of convertible notes		(16,000)	(56,500)
Interest paid		(7,775)	(2,125)
Repayments of obligations under finance leases		(485)	(170)
Dividends paid to minority shareholders		(16)	(21)
Repayment of loans from a shareholder		—	(7,000)
NET CASH FROM FINANCING ACTIVITIES		118,093	290,589
NET INCREASE IN CASH AND CASH EQUIVALENTS		64,766	15,090
CASH AND CASH EQUIVALENTS			
AT BEGINNING OF THE YEAR		43,102	27,580
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		140	432
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		108,008	43,102
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		108,793	43,545
Bank overdrafts		(785)	(443)
		108,008	43,102