

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March 2006

	NOTES	2006 HK\$'000	2005 HK\$'000 (Restated)
Operating activities			
Profit before taxation		19,387	6,315
Adjustments for:			
Interest income		(7,425)	(441)
Change in fair value of convertible bonds		1,420	–
Finance costs		123	1,221
Discount on fair value of loan receivables		1,246	–
Share of result of an associate		(9,725)	–
Depreciation		10,663	12,519
Loss on disposal of property, plant and equipment		832	6
Discount on acquisition released to income		–	(1,188)
Gain on disposal of subsidiaries		–	(13,103)
Write back of long outstanding payables		–	(6,775)
Share option expense		16,046	7,960
Convertible bonds issue expenses		26,480	–
Operating cash flows before movements in working capital		59,047	6,514
Increase in inventories		(829)	(288)
(Increase) decrease in amounts due from customers for contract work		(27,217)	2,762
Increase in debtors and prepayments		(26,601)	(52,964)
(Decrease) increase in creditors and accruals		(14,881)	17,041
Cash used in operations		(10,481)	(26,935)
Interest received		7,425	441
Taxation paid		(7,069)	(6,259)
Net cash used in operating activities		(10,125)	(32,753)
Investing activities			
Loan advanced		(26,910)	–
Purchase of property, plant and equipment		(26,225)	(22,328)
Proceeds from disposal of property, plant and equipment		2,841	45
Decrease (increase) in restricted bank deposits		1,057	(1,057)
Acquisition of interest in a jointly controlled entity	32	–	1,439
Acquisition of subsidiaries by a jointly controlled entity (net of cash and cash equivalents acquired)		–	(1,779)
Purchase of other investments		–	(530)
Proceeds from disposal of subsidiaries	34	–	411
Acquisition of interest in an associate		–	(57,345)
Net cash used in investing activities		(49,237)	(81,144)

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

For the year ended 31st March 2006

	2006 HK\$'000	2005 HK\$'000
Financing activities		
Proceeds from issue of convertible bonds	546,000	—
Dividends paid by a jointly controlled entity to its former shareholders	(5,791)	—
Convertible bonds issue expenses	(26,480)	—
New bank loans raised	22,814	—
Net proceeds from issue of shares and warrants	1,252	61,666
Repayment of short-term loans	(22,772)	(36,029)
Interest paid	(123)	(1,221)
Net cash from financing activities	514,900	24,416
Increase (decrease) in cash and cash equivalents	455,538	(89,481)
Cash and cash equivalents at beginning of the year	136,266	225,586
Effect of foreign exchange rate changes	1,174	161
Cash and cash equivalents at end of the year	592,978	136,266