

VISION TECH INTERNATIONAL HOLDINGS LIMITED  
CONSOLIDATED CASH FLOW STATEMENT  
YEAR ENDED 31 MARCH 2003

	<u>2003</u> <u>\$'000</u>	<u>2002</u> <u>\$'000</u>
Loss before tax	(191,611)	(15,420)
Adjustments for:		
Amortisation of intangible asset	36	-
Depreciation of fixed assets	345	1,265
Depreciation of fixed assets held under hire purchase contract	-	234
Fixed assets written off	-	491
Provision for bad debts	72,954	-
Written-off of intangible assets	2,854	-
Impairment loss in value of interest in subsidiaries	49,435	-
Written-off of amounts due from subsidiaries	58,797	(225)
Impairment loss of goodwill	1,579	-
Interest expense	2,237	-
Interest received	(354)	(81)
Loss on disposal of fixed assets	-	2,621
Loss on disposal of investment properties	-	600
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Operating loss before working capital changes	(3,728)	(10,515)
Decrease in inventories	862	575
(Increase)/decrease in trade receivables, prepayments, deposits and other receivables	(3,575)	23,519
Increase in amounts due from related companies	-	(5,276)
Decrease in trade payables	(16,586)	(1,980)
Increase/(decrease) in other payable and accruals	4,209	(599)
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Cash generated from operations	(18,818)	5,724
Interest paid	(2,237)	(424)
Interest paid for hire purchase contracts	-	(59)
Profits tax paid	-	(21)
Profits tax refunded	-	81
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<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(21,055)</b>	<b>5,301</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of subsidiary, net of cash acquired (Note A)	18,331	-
Purchase of property, plant and equipment (Note B)	(2,896)	(24)
Impairment loss in value of subsidiaries, net of cash disposed	(397)	-
Proceeds on disposal of fixed assets	-	4,700
Interest received	354	81
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Net cash used in investing activities	15,392	4,757

The notes on pages 36 to 53 form an integral part of these financial statements.

AUDITORS' REPORT - Pages 1 to 4

VISION TECH INTERNATIONAL HOLDINGS LIMITED  
CONSOLIDATED CASH FLOW STATEMENT  
YEAR ENDED 31 MARCH 2003  
(CONTINUED)

	<u>2003</u>	<u>2002</u>
	<u>\$'000</u>	<u>\$'000</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds from issue of share capital	5,415	13,040
Decrease in time deposits pledged for banking facilities	-	17,500
Payment of finance lease liabilities	-	(314)
Increase in short term loan	-	10,000
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<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>5,415</b>	<b>40,226</b>
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<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(248)</b>	<b>50,284</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	<b>2,033</b>	<b>(48,251)</b>
<b>OF YEAR</b>	-----	-----
<b>CASH AND CASH EQUIVALENTS AT END</b>		
<b>OF YEAR (NOTE C)</b>	<b>1,785</b>	<b>2,033</b>
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The notes on pages 36 to 53 form an integral part of these financial statements.