



CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2003

	2003 HK\$'000	2002 HK\$'000
Operating activities		
(Loss) profit before taxation	(40,448)	2,669
Adjustments for:		
Impairment loss recognised in respect of goodwill	1,112	—
Impairment loss recognised in respect of intangible asset	900	—
Unrealised holding loss on unlisted other investments	2,500	—
Unrealised holding gain on listed other investments	(2,524)	—
Depreciation	2,797	405
Interest income	(1,282)	(2,873)
Unlisted investment income	(1,241)	—
Interest expense	87	145
Interest on obligations under finance leases	19	14
Allowance for doubtful debts	1,469	236
Bad debts written off	951	—
Loss on disposal of property, plant and equipment	23	13
Share of results of associates	629	—
Share of results of a joint venture	2,645	—
Amortisation of goodwill	1,067	—
Amortisation of intangible asset	476	—
Operating cash flows before movements in working capital	(30,820)	609
Decrease in inventories	93	535
(Increase) decrease in amounts due from customers for contract work	(886)	3,064
Decrease (increase) in progress payment receivable	6,386	(5,378)
Decrease in retention money receivable	2,650	1,918
Decrease (increase) in accounts receivable	4,728	(7,297)
(Increase) decrease in prepayments, deposits and other receivable	(5,351)	5,609
Increase in amount due from an investee company	(5,995)	—
(Decrease) increase in amounts due to customers for contract work	(3,542)	3,501
(Decrease) increase in retention money payable	(3,961)	33
Increase in accounts payable, other payables and accrued charges	1,358	3,140
Increase in amounts due to associates	2,080	—
Decrease in amount due to a related company	—	(95)
Increase (decrease) in bills payable	2,414	(1,130)
(Decrease) increase in amount due to a director	(56)	56
Cash (used in) generated from operations	(30,902)	4,565
Interest received	1,282	2,873
Interest paid	(87)	(145)
Interest on obligations under finance leases	(19)	(14)
Hong Kong Profits Tax paid	(34)	(4,706)
Net cash (used in) from operating activities	(29,760)	2,573

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For the year ended 31 March 2003

	Notes	2003 HK\$'000	2002 HK\$'000
Investing activities			
Purchase of property, plant and equipment		(11,862)	(961)
Purchase of subsidiaries	42	(20,414)	—
Purchase of investments in securities		(20,619)	—
Purchase of intangible asset		(2,380)	—
Investments in associates		(7,000)	—
Investment in a joint venture		(19,100)	—
Purchase of other assets		(205)	—
Investment deposits paid		(22,000)	—
Bank deposits (pledged) released		(10,951)	53,051
Unlisted investment income		1,241	—
Increase in loans receivable		(18,192)	—
Proceeds from disposal of property, plant and equipment		201	—
Net cash (used in) from investing activities		<u>(131,281)</u>	<u>52,090</u>
Financing activities			
Proceeds on issue of ordinary shares		117,499	24,242
Indemnity from former controlling shareholders		631	—
Repayment of short-term bank loans		(288)	(4,539)
Repayment of obligations under finance leases		(144)	(44)
Net cash from financing activities		<u>117,698</u>	<u>19,659</u>
(Decrease) increase in cash and cash equivalents		(43,343)	74,322
Cash and cash equivalents at the beginning of the year		85,793	11,471
Effect of foreign exchange rate changes		(37)	—
Cash and cash equivalents at the end of the year		<u>42,413</u>	<u>85,793</u>
Cash and cash equivalents as previously reported			84,894
Effect of reclassification of bills payable			899
Cash and cash equivalents as restated			<u>85,793</u>
Analysis of the balance of cash and cash equivalents			
Bank balances and cash		43,490	91,872
Bank overdrafts		(1,077)	(6,079)
		<u>42,413</u>	<u>85,793</u>