

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31ST MARCH 2003

	<i>Notes</i>	2003 HK\$	2002 <i>HK\$</i>
OPERATING ACTIVITIES			
Loss from operations		(46,373,630)	(61,779,777)
Adjustments for:			
Interest income		(134,682)	–
Depreciation		4,121,210	9,468,484
Allowances for doubtful debts		569,757	13,701,249
Allowances for inventories		2,000,000	–
Allowance for loan to an associate		–	11,440,069
Impairment loss recognised in respect of investment in securities		27,881,000	–
Loss on disposal of investments in securities		3,979,380	–
Loss on disposal of property, plant and equipment		10,060	738,152
Unrealised loss on investments in securities		56,997	272,791
Cost capitalised in associates written off		222,250	–
Operating cash flows before movements in working capital		(7,667,658)	(26,159,032)
(Increase) decrease in inventories and work in progress		(6,623,727)	18,961,289
Decrease in accounts receivables and prepayments		520,521	21,260,764
Decrease in interest receivable		–	85,275
(Decrease) increase in amount due from minority shareholders		2,730	(1,791,746)
Increase in amount due from related companies		(187,021)	(8,211,698)
(Decrease) increase in payments received on accounts		(350)	350
Increase (decrease) in accounts payable and accrued charges		2,480,785	(34,237,470)
Decrease in amounts due to associates		–	(207,430)
Increase in amount due to related companies		5,090,413	19,537,257
Net cash used in operations		(6,384,307)	(10,762,441)
Overseas tax paid		(596,264)	(629,962)
NET CASH USED IN OPERATING ACTIVITIES		(6,980,571)	(11,392,403)
INVESTING ACTIVITIES			
Interest received		134,682	–
Advance to associates		(13,811,049)	(61,482,172)
Acquisition of additional interest in a subsidiary		–	(10,552,531)
Additions to property under development		–	(1,801,667)
Purchase of property, plant and equipment		(84,494)	(3,267,101)
Purchase of associates		–	(994,050)
Disposal of subsidiaries (net of cash and cash equivalents disposed of)	27	(471,744)	822,083,614
Proceeds on disposal of investments in securities		1,472,620	–
Proceeds on disposal of property, plant and equipment		5,467	4,829
NET CASH (USED IN) FROM INVESTING ACTIVITIES		(12,754,518)	743,990,922

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FOR THE YEAR ENDED 31ST MARCH 2003

	2003	2002
	HK\$	HK\$
FINANCING ACTIVITIES		
Dividends paid/special distribution	(35,774)	(869,817,736)
Interest paid	(273,871)	(2,391,011)
Advance of secured bank loans	–	32,133,590
Repayment of advances from minority shareholders	(66,419)	(6,831,146)
Bank loans repaid	–	(5,111,811)
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NET CASH USED IN FINANCING ACTIVITIES	(376,064)	(852,018,114)
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NET DECREASE IN CASH AND CASH EQUIVALENTS	(20,111,153)	(119,419,595)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	21,305,080	140,810,015
EFFECT ON FOREIGN EXCHANGE RATE CHANGES	78,460	(85,340)
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CASH AND CASH EQUIVALENTS, END OF YEAR	1,272,387	21,305,080
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ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	5,362,547	21,305,651
Bank overdrafts	(4,090,160)	(571)
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	1,272,387	21,305,080
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