

Consolidated Cash Flow Statement

Year ended 31 March 2003

	Notes	2003 HK\$'000	2002 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(62,008)	(48,296)
Adjustments for:			
Interest income	5	(3,224)	(4,916)
Finance costs	8	4,270	5,566
Gain on disposal of subsidiaries relating to discontinued operations	6	(5,943)	–
Depreciation	7	7,872	8,474
Write off of fixed assets	7	195	21
(Gain)/loss on disposal of fixed assets	7	(32)	60
Impairment of goodwill	7	5,210	35,039
Provision for inventories	7	121	–
(Gain)/loss on disposal of other securities		21,231	(8,001)
Unrealised (gain)/loss on other securities		7,530	(8,388)
Provisions for impairments in values of investment securities		8,000	12,000
Provision for trade receivables	7	3,321	1,589
Provision for other receivables	7	3,368	–
Operating loss before working capital changes		(10,089)	(6,852)
Decrease/(increase) in trade receivables		(9,430)	10,568
Decrease in inventories		10,316	2,166
Increase in prepayments, deposits and other receivables		(1,505)	(870)
Decrease in trade and bills payables		(7,537)	(7,674)
Increase/(decrease) in other payables and accruals		11,648	(3,716)
Decrease in trust receipt loans		(4,838)	(1,007)
Cash used in operations		(11,435)	(7,385)
Interest paid		(4,270)	(5,566)
Hong Kong profit tax paid	11	–	(4)
Net cash outflow from operating activities			
Continuing operations		(13,025)	(10,857)
Discontinued operations		(2,680)	(2,098)
Total		(15,705)	(12,955)

Consolidated Cash Flow Statement (continued)

Year ended 31 March 2003

	<i>Notes</i>	2003 HK\$'000	2002 <i>HK\$'000</i> <i>(Restated)</i>
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to construction in progress	15	(3,500)	(361)
Purchases of fixed assets		(1,435)	(1,656)
Proceeds from disposal of fixed assets		50	5
Subscription for convertible notes		–	(18,000)
Repayment of convertible notes	19	50,000	–
Proceeds from disposal of convertible notes	19	7,500	–
Purchases of other securities		(153,990)	(102,396)
Proceeds from disposal of other securities		70,503	74,151
Decrease in pledged time deposits		–	22,242
Net cash inflow from disposal of subsidiaries relating to discontinued operations	31(b)	4,929	–
Interest received		1,796	4,916
Net cash inflow/(outflow) from investing activities			
Continuing operations		(25,268)	(31,026)
Discontinued operations		1,121	9,927
Total		(24,147)	(21,099)
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown of other loan		4,583	661
Capital element of finance lease rental payments		(205)	(323)
Capital contribution by minority shareholders		–	141
Proceeds from issue of share capital		–	71,824
Share issue expenses		–	(1,955)
Net cash inflow/(outflow) from financing activities			
Continuing operations		(116)	69,917
Discontinued operations		4,494	431
Total		4,378	70,348
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		(35,474)	36,294
Cash and cash equivalents at beginning of year		55,338	19,044
CASH AND CASH EQUIVALENTS AT END OF YEAR		19,864	55,338

Consolidated Cash Flow Statement (continued)

Year ended 31 March 2003

	<i>Notes</i>	2003 HK\$'000	2002 <i>HK\$'000</i> <i>(Restated)</i>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	22	1,731	4,399
Non-pledged time deposits with original maturity of less than three months when acquired	22	19,460	44,398
Time deposits with original maturity of less than three months when acquired, pledged as security for bank facilities	22	6,493	13,082
Bank overdrafts	24	(7,820)	(6,541)
		19,864	55,338