

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2003  
(Expressed in Hong Kong dollars)

	Notes	2003 \$'000	2002 \$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		<b>(76,692)</b>	(39,826)
Adjustments for:			
Finance costs	7	<b>112</b>	-
Depreciation	6	<b>3,392</b>	1,025
Interest income	5	<b>(1,150)</b>	(8,888)
Dividend income from listed investments	5	<b>(59)</b>	(302)
Provision for bad and doubtful debts	6	<b>5,866</b>	1,804
Provision for inventory obsolescence	6	<b>2,258</b>	2,132
Provision for legal and professional costs	6	<b>-</b>	18,079
Loss on disposal of fixed assets	6	<b>297</b>	-
Loss/(gain) on disposal of short term listed investments	5, 6	<b>19,324</b>	(1,171)
Unrealised loss on short term listed investments	6	<b>20,190</b>	5,800
Gain on disposal of an associate	5	<b>(80)</b>	-
Impairment of long term investments transferred from the investment reevaluation reserve	6	<b>-</b>	10,494
Write-back of provision for staff bonus	6	<b>(4,547)</b>	(723)
Write-back of accruals for termination of an operating lease	6	<b>-</b>	(1,390)
Share of loss of a jointly-controlled entity		<b>-</b>	222
Impairment of interest in an associate		<b>-</b>	1,014
Operating loss before working capital changes		<b>(31,089)</b>	(11,730)
Decrease/(increase) in inventories		<b>2,629</b>	(18,291)
Increase in prepayments, deposits and other receivables		<b>(13,773)</b>	(2,202)
Decrease/(increase) in trade receivables		<b>1,910</b>	(10,840)
Increase in short term investments		<b>(80,665)</b>	(18,196)
Increase/(decrease) in trade payables, provisions, other payables and accrued liabilities		<b>(581)</b>	(815)
Exchange difference on working capital		<b>128</b>	(959)
Cash used in operations		<b>(121,441)</b>	(63,033)
Hong Kong profits tax refunded/(paid)		<b>732</b>	(1,237)
Net cash outflow from operating activities			
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Continuing operations		<b>(138,496)</b>	(64,270)
Discontinuing operations		<b>17,787</b>	-
Total		<b>(120,709)</b>	(64,270)

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2003  
(Expressed in Hong Kong dollars)

(Continued)

	Notes	2003 \$'000	2002 \$'000 (Restated)
Net cash outflow from operating activities – page 24		<b>(120,709)</b>	(64,270)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		<b>1,150</b>	8,888
Dividend received from listed investments		<b>59</b>	302
Investment in a jointly-controlled entity		–	(50,000)
Increase in loans from a jointly-controlled entity		–	49,778
Purchases of fixed assets		<b>(25,995)</b>	(1,654)
Acquisition of a subsidiary	27(b)	–	(500)
Purchases of other investments		<b>(5,000)</b>	–
Proceeds from disposal of fixed assets		<b>134</b>	–
Proceeds from disposal of an associate		<b>80</b>	–
Advances for investments		–	(4,798)
Net cash inflow/(outflow) from investing activities		<b>(17,558)</b>	2,016
Continuing operations		<b>(12,014)</b>	–
Discontinuing operations		–	–
Total		<b>(29,572)</b>	2,016
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		<b>(112)</b>	–
Proceed from issue of share capital	24	<b>764</b>	–
Contribution from a minority shareholder of a subsidiary		–	82
Increase in amount due to a minority shareholder of a subsidiary		<b>5</b>	3,964
Dividend paid		–	(4,297)
Net cash inflow/(outflow) from financing activities		<b>652</b>	(251)
Continuing operations		<b>5</b>	–
Discontinuing operations		–	–
Total		<b>657</b>	(251)
NET DECREASE IN CASH AND CASH EQUIVALENTS		<b>(149,624)</b>	(62,505)
Cash and cash equivalents at beginning of year		<b>203,119</b>	265,624
CASH AND CASH EQUIVALENTS AT END OF YEAR		<b>53,495</b>	203,119
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		<b>49,742</b>	3,784
Time deposits with original maturity of less than three months when acquired		<b>3,753</b>	199,335
		<b>53,495</b>	203,119