

Consolidated Cash Flow Statement

For the year ended 31 March 2003



	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i> <i>(restated)</i>
OPERATING ACTIVITIES		
Loss before taxation	(115,015)	(219,053)
Adjustment for:		
Interest expenses	1,728	2,922
Interest income	(43)	(195)
Share of loss of associates	415	36,866
Depreciation	3,104	8,324
Allowance for inventories	7,517	26,650
Provision for guarantee to repay redemption sum of a subsidiary's preferred shares	93,600	–
Impairment loss recognised on property, plant and equipment	–	29,820
Impairment loss recognised on goodwill	3,796	20,250
Allowance for bad and doubtful debts	2,055	17,540
Gain on waiver of bank loans interest	(7,135)	–
Allowance for amounts due from associates	–	20,654
Bad debts recovered	–	(1,541)
Loss on disposal of property, plant and equipment	5,812	12,333
Net gain on deemed partial disposal of associates	–	(6,871)
(Gain) loss on disposal of subsidiaries	(5,112)	348
Operating cash flows before movements in working capital	(9,278)	(51,953)
Decrease in inventories	500	53,619
Increase in debtors, deposits and prepayments	(219)	(6,780)
Increase in amounts due from associates	–	(6,624)
Decrease in bills payable and import loans	(2,159)	(5,729)
Increase (decrease) in creditors and accruals	1,326	(8,034)
(Decrease) increase in amounts due to associates	(6)	732
Decrease in net amounts due to customers for contract work	–	6,412
Cash used in operating activities	(9,836)	(18,357)
Hong Kong Profits Tax paid	(1)	(2,050)
Hong Kong Profits Tax refunded	222	422
NET CASH USED IN OPERATING ACTIVITIES	(9,615)	(19,985)

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	Note	2003 HK\$'000	2002 HK\$'000 (restated)
INVESTING ACTIVITIES			
Interest received		43	195
Purchase of property, plant and equipment		–	(337)
Proceeds from disposal of property, plant and equipment		360	4,867
Acquisition of associates		–	(39)
Proceeds from disposal of subsidiaries (net of cash and cash equivalents disposed of)	30	<u>24,000</u>	<u>20,393</u>
NET CASH GENERATED FROM INVESTING ACTIVITIES		<u>24,403</u>	<u>25,079</u>
FINANCING ACTIVITIES			
Interest paid		(1,728)	(2,922)
New bank loan raised		–	2,000
Repayment of bank loan		<u>(14,065)</u>	<u>(800)</u>
NET CASH USED IN FINANCING ACTIVITIES		<u>(15,793)</u>	<u>(1,722)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		<u>(1,005)</u>	<u>3,372</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		<u>1,377</u>	<u>(3,341)</u>
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		<u>(70)</u>	<u>1,346</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		<u><u>302</u></u>	<u><u>1,377</u></u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalent as previously reported			(18,623)
Effect of classification of short-term unsecured bank loans repayable within three months from date of advances			<u>20,000</u>
Cash and cash equivalents as restated			<u><u>1,377</u></u>
Being:			
Bank balances and cash		302	10,608
Bank overdraft		–	<u>(9,231)</u>
		<u><u>302</u></u>	<u><u>1,377</u></u>