

# Consolidated Cash Flow Statement

For the year ended 31 March 2003

	<b>2003</b> <b>HK\$'000</b>	2002 HK\$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss from ordinary activities before taxation	<b>(298,394)</b>	(47,457)
Adjustments for:		
Interest income	<b>(36)</b>	(132)
Share of results of associates	<b>3,009</b>	5,144
Depreciation	<b>5,273</b>	7,398
Amortisation of prepaid rentals	<b>—</b>	1,295
Provision for loan receivables	<b>13,502</b>	4,065
Provision for deposits paid for potential investments	<b>27,170</b>	—
Amortisation of goodwill	<b>19,516</b>	6,124
Reserve realised upon expiry of warrants	<b>—</b>	(23,322)
Loss on disposal of property, plant and equipment	<b>857</b>	488
Property, plant and equipment written off	<b>979</b>	—
Prepaid rentals written (back)/off	<b>(1,425)</b>	4,997
Loss on disposal of subsidiaries	<b>—</b>	225
Loss on disposal of partial interest in a subsidiary	<b>12,808</b>	—
Waiver of an amount due to a trade creditor	<b>(1,751)</b>	—
Provision for bad and doubtful debts	<b>952</b>	407
Impairment losses recognised in relation to associates	<b>190,430</b>	—
Operating loss before working capital changes	<b>(27,110)</b>	(40,768)
Decrease in other investments	<b>—</b>	19,278
Decrease in trade and other debtors, deposits and prepayments	<b>2,485</b>	31,617
Decrease in deposit paid for purchase of trading inventories	<b>450</b>	9,050
Increase/(Decrease) in trade and other creditors	<b>5,248</b>	(3,546)
(Decrease)/Increase in amount due to an associate	<b>(36)</b>	887
Cash (used in)/generated from operations	<b>(18,963)</b>	16,518
Hong Kong Profits Tax paid	<b>—</b>	(18)
Net cash (used in)/generated from operating activities	<b>(18,963)</b>	16,500

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<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Refund of deposits paid for potential investments	<b>13,830</b>	18,000
Cash consideration received in respect of disposal of subsidiaries in the previous years	<b>1,630</b>	2,920
Cash consideration received in respect of disposal of partial interest in a subsidiary	<b>4,000</b>	—
Proceeds from disposal of property, plant and equipment	<b>576</b>	466
Decrease in pledged bank deposits	—	2,069
Acquisition of interests in associates	—	(134,866)
Deposits paid for potential investments	—	(21,000)
Increase in loan receivables	<b>(2,001)</b>	(11,901)
Interest received	<b>36</b>	132
Advances to associates	<b>(979)</b>	(7,995)
Purchase of property, plant and equipment	<b>(331)</b>	(3,869)
Disposal of subsidiaries (net of cash and cash equivalents disposed of)	—	(694)
Net cash generated from/(used in) investing activities	<b>16,761</b>	(156,738)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares, net of expenses	—	100,658
Proceeds from issue of warrants, net of expenses	—	33,392
Advance from a former director	<b>151</b>	267
Net cash generated from financing activities	<b>151</b>	134,317
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		
	<b>(2,051)</b>	(5,921)
<b>CASH AND CASH EQUIVALENTS AT 1 APRIL</b>		
	<b>4,617</b>	10,464
Effect on foreign exchange rate changes	<b>24</b>	74
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>		
	<b>2,590</b>	4,617
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Bank and cash balances	<b>2,590</b>	4,617

The notes on pages 26 to 65 form an integral part of these financial statements.