

CONSOLIDATED CASH FLOW STATEMENT

27

ANNUAL REPORT 2003

For the year ended 31st March, 2003

	2003 HK\$'000	2002 HK\$'000
OPERATING ACTIVITIES		
Loss from operations	(59,565)	(31,083)
Adjustments for:		
Allowances for loan receivables	18,829	–
Interest income	(1,455)	(2,321)
Dividend income	–	(1)
Depreciation	3,075	5,079
Impairment losses recognised in respect of investments in securities	7,500	–
(Gain) loss on disposal of investment in securities	(38)	463
Loss on disposal of investment in securities	5,000	–
Unrealised holding loss on investment in securities	–	896
Gain on disposal of investment properties	–	(37)
Loss on disposal of property, plant and equipment	344	253
Gain on financial restructuring net of expenses attributable to cash equivalent items	–	37,187
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Operating cash flows before movements in working capital	(26,310)	10,436
Increase in inventories	(4,303)	(2,698)
(Increase) decrease in trade receivables	(9,746)	5,788
Increase in prepayments, deposits and other receivables	(10,121)	(1,135)
Increase in trade payables	23,059	7,970
Increase in other payables and accrued liabilities	1,408	1,666
Decrease in amounts due to shareholders	–	(1,109)
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Cash (used in) generated from operations	(26,013)	20,918
Interest paid	(621)	(4,080)
Interest on obligations under finance leases	(511)	(680)
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NET CASH (OUTFLOW) INFLOW FROM OPERATING ACTIVITIES	(27,145)	16,158
INVESTING ACTIVITIES		
Interest received	626	1,411
Dividend received from investment in securities	–	1
Purchase of property, plant and equipment	(190)	(5,630)
Proceeds from disposal of property, plant and equipment	1,046	10
Purchase of investment in securities	(15,966)	(37,026)
Proceeds from disposal of investment in securities	1,112	7,033
Advances of loans receivables	(9,406)	(25,078)
Repayment of loan receivables	206	–
Advances of exchangeable loan receivables	(25,000)	(12,500)
Repayment of exchangeable loan receivables	5,000	–
Good faith deposit settled (paid)	10,000	(10,000)
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NET CASH USED IN INVESTING ACTIVITIES	(32,572)	(81,779)

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FINANCING ACTIVITIES		
Issue of convertible bonds/notes	4,232	25,000
Issue of bonds	–	93,600
Issue of shares net of expenses	77,031	95,728
Repayment of bank and other borrowings	–	(25,964)
Repayment of obligations under finance leases	(5,729)	(7,304)
Professional fee paid for group reorganisation	–	(11,758)
Advances from directors	8,622	773
Advances from related companies	4,473	532
Redemption of bonds with a premium	(36,223)	(58,968)
	<u>52,406</u>	<u>111,639</u>
NET CASH FROM FINANCING ACTIVITIES		
	(7,311)	46,018
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>11,547</u>	<u>(34,471)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR, REPRESENTED BY BANK BALANCES AND CASH	<u>4,236</u>	<u>11,547</u>