

## Consolidated Cash Flow Statement

For the year ended 31st March, 2004

	Notes	2004 HK\$'000	2003 HK\$'000
<b>Operating activities</b>			
Loss from operations		(7,502)	(5,901)
Adjustments for:			
Interest income		(2)	—
Impairment loss on other investment		1,400	—
(Gain) loss on disposal of subsidiaries		(475)	615
Write back of overprovision of accruals		—	(2,130)
Allowance for doubtful recovery on other receivables		—	281
Unrealised loss on other investments		—	5,462
Loss on write-off of property, plant and equipment		—	36
Gain on deconsolidation of subsidiaries		—	(525)
Operating cash flows before movements in working capital		(6,579)	(2,162)
Increase in inventories		(2,308)	(365)
Increase in trade and other receivables		(3,206)	(244)
Increase in trade and other payables		7,408	1,148
Cash used in operations		(4,685)	(1,623)
Interest received		2	—
<b>Net cash used in operating activities</b>		<b>(4,683)</b>	<b>(1,623)</b>
<b>Investing activities</b>			
Net cash outflow from deconsolidation of subsidiaries	21	—	(4,621)
Net cash outflow from disposal of subsidiaries	22	—	(15,279)
<b>Net cash used in investing activities</b>		<b>—</b>	<b>(19,900)</b>
<b>Financing activities</b>			
Proceeds from issue of ordinary shares and preference shares		70,000	—
Redemption of preference shares		(57,500)	—
Increase in amount due to a shareholder		2,590	1,615
<b>Net cash from financing activities</b>		<b>15,090</b>	<b>1,615</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>10,407</b>	<b>(19,908)</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>1</b>	<b>19,909</b>
<b>Cash and cash equivalents at end of the year</b>		<b>10,408</b>	<b>1</b>
<b>Analysis of the balances of cash and cash equivalents</b>			
Bank balances and cash		10,408	1