

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

	2004 HK\$'000	2003 HK\$'000 (As restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss from ordinary activities before taxation	(4,345)	(295,823)
Adjustments for:		
Depreciation	4,544	5,273
Interest income	(784)	(36)
Interest expenses	4,878	–
Gain on disposal of a subsidiary	(488)	–
Loss on disposal of partial interest in a subsidiary	–	10,237
Loss on disposal of property, plant and equipment	1,201	1,836
Amortisation of goodwill arising on acquisition of subsidiaries	941	–
Amortisation of goodwill arising on acquisition of associates	2,323	19,516
Share of results of associates	(135)	3,009
Impairment losses recognised in relation to associates	12,413	190,430
Interest in an associate written off	22	–
Write down of inventories to net realisable value	4,601	–
Provision for loan receivables	14	13,502
Provision for deposits paid for potential investments	–	27,170
Provision for bad and doubtful debts, net	9,708	952
Provision for long service payments	959	–
Prepaid rentals written back	–	(1,425)
Waiver of amounts due to other/trade creditors	(673)	(1,751)
Write back of amounts due to other creditors	(616)	–
Reserve realised upon expiry of warrants	(33,392)	–
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Operating profit/(loss) before working capital changes	1,171	(27,110)
Increase in inventories	(8,023)	–
(Increase)/decrease in trade and other debtors, deposits and prepayments	(8,470)	2,485
Decrease in deposit paid for purchase of trading inventories	–	450
(Decrease)/increase in trade and other creditors	(195)	5,248
Decrease in amount due to an associate	–	(36)
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Cash used in operations	(15,517)	(18,963)
Interest paid	(1,303)	–
Hong Kong Profits Tax paid	(53)	–
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Net cash used in operating activities	(16,873)	(18,963)

The Notes on pages 29 to 78 form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

	Note	2004 HK\$'000	2003 HK\$'000 (As restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		784	36
Purchase of property, plant and equipment		(1,859)	(331)
Proceeds from disposal of property, plant and equipment		–	576
Acquisition of subsidiaries	31(a)	(4,471)	–
Proceeds from disposal of a subsidiary	31(b)	480	–
Cash consideration received in respect of disposal of subsidiaries in the previous years		–	1,630
Cash consideration received in respect of disposal of partial interest in a subsidiary		12,000	4,000
Acquisition of associates		(16,010)	–
Advances to associates		–	(979)
Decrease/(increase) in loan receivables		444	(2,001)
Refund of deposits paid for potential investments		–	13,830
		<u>–</u>	<u>–</u>
Net cash (used in)/generated from investing activities		<u>(8,632)</u>	<u>16,761</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Rights Issue, net of expenses	27(b)	44,575	–
Proceeds from Top-up Placement, net of expenses	27(c)	14,707	–
New short term loans		47,017	–
Repayment of short term loans		(64,619)	–
(Repayment to)/advance from a former director		(418)	151
		<u>–</u>	<u>151</u>
Net cash generated from financing activities		<u>41,262</u>	<u>151</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		15,757	(2,051)
CASH AND CASH EQUIVALENTS AS AT 1 APRIL			
		2,590	4,617
Effect on foreign exchange rate changes		(9)	24
		<u>–</u>	<u>–</u>
CASH AND CASH EQUIVALENTS AS AT 31 MARCH			
		<u>18,338</u>	<u>2,590</u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank and cash balances		<u>18,338</u>	<u>2,590</u>

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