

## Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31ST MARCH 2004

	<i>Note</i>	<b>2004</b> <b>HK\$</b>	2003 <i>HK\$</i>
<b>OPERATING ACTIVITIES</b>			
Loss from operations		<b>(7,472,931)</b>	(46,373,630)
Adjustments for:			
Interest income		<b>(15,116)</b>	(134,682)
Depreciation		<b>3,153,121</b>	4,121,210
Allowances for doubtful debts		<b>6,767,800</b>	569,757
Allowances for inventories		<b>844,015</b>	2,000,000
Impairment loss (reversed) recognised in respect of investment in securities		<b>(11,622,394)</b>	27,881,000
(Gain) loss on disposal of investment in securities		<b>(831,826)</b>	3,979,380
Loss on disposal of property, plant and equipment		<b>167,068</b>	10,060
Gain on disposal of an associate		<b>(230,934)</b>	–
Unrealised (gain) loss on investment in securities		<b>(42,000)</b>	56,997
Interest capitalised in associates written off		<b>–</b>	222,250
Operating cash flows before movements in working capital		<b>(9,283,197)</b>	(7,667,658)
Increase in other receivables		<b>(157,351)</b>	–
Decrease in inventories		<b>15,976,100</b>	2,755,099
Decrease (increase) in contract in progress		<b>9,518,913</b>	(9,378,826)
(Increase) decrease in accounts receivable and prepayments		<b>(4,188,152)</b>	520,521
Decrease in amounts due from minority shareholders		<b>2,302,587</b>	2,730
Decrease (increase) in amounts due from related companies		<b>4,296,984</b>	(187,021)
Decrease in payments received on accounts		<b>–</b>	(350)
(Decrease) increase in accounts payable and accrued charges		<b>(2,993,985)</b>	2,480,785
(Decrease) increase in amounts due to related companies		<b>(13,035,347)</b>	5,090,413
Net cash from (used in) operations		<b>2,436,552</b>	(6,384,307)
Overseas tax paid		<b>(171,731)</b>	(596,264)
<b>NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>		<b>2,264,821</b>	(6,980,571)
<b>INVESTING ACTIVITIES</b>			
Interest received		<b>15,116</b>	134,682
Advance from (to) associates		<b>2,796,719</b>	(13,811,049)
Advance from investee		<b>3,460,560</b>	–
Acquisition of additional interest in a subsidiary		<b>(156,000)</b>	–
Purchase of property, plant and equipment		<b>(143,970)</b>	(84,494)
Disposal of subsidiaries (net of cash and cash equivalents disposed of)	24	<b>–</b>	(471,744)
Proceeds on disposal of investment in securities		<b>17,955,874</b>	1,472,620
Proceeds on disposal of property, plant and equipment		<b>4,288</b>	5,467
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>		<b>23,932,587</b>	(12,754,518)

## Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31ST MARCH 2004

	<b>2004</b>	2003
	<b>HK\$</b>	<b>HK\$</b>
FINANCING ACTIVITIES		
Dividends paid/special distribution	–	(35,774)
Interest paid	<b>(313,357)</b>	(273,871)
Repayment of advances from minority shareholders	<b>(18,854,323)</b>	(66,419)
	<hr/>	<hr/>
NET CASH USED IN FINANCING ACTIVITIES	<b>(19,167,680)</b>	(376,064)
	<hr/>	<hr/>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<b>7,029,728</b>	(20,111,153)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<b>1,272,387</b>	21,305,080
EFFECT ON FOREIGN EXCHANGE RATE CHANGES	<b>(29,767)</b>	78,460
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS, END OF YEAR	<b>8,272,348</b>	1,272,387
	<hr/> <hr/>	<hr/> <hr/>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	<b>11,790,694</b>	5,362,547
Bank overdrafts	<b>(3,518,346)</b>	(4,090,160)
	<hr/>	<hr/>
	<b>8,272,348</b>	1,272,387
	<hr/> <hr/>	<hr/> <hr/>