



Consolidated Cash Flow Statement For the year ended 31 March 2004

	2004 HK\$'000	2003 HK\$'000
Operating activities		
Loss before taxation	(57,399)	(40,448)
Adjustments for:		
Impairment loss recognised in respect of goodwill	22,010	1,112
Impairment loss recognised in respect of intangible asset	–	900
Unrealised holding loss on unlisted other investments	–	2,500
Unrealised holding gains on listed other investments	(7,513)	(2,524)
Depreciation	3,557	2,797
Interest income	(2,635)	(1,282)
Unlisted investment income	–	(1,241)
Interest expense	310	87
Interest on obligations under finance leases	16	19
Allowance for doubtful debts	187	1,469
Bad debts written off	11	951
Gain on disposal of investments in unlisted other investments	(500)	–
Loss on disposal of property, plant and equipment	103	23
Motor vehicle expenses settled through finance lease	18	–
Share of results of associates	294	629
Share of results of a joint venture	13,854	2,645
Amortisation of goodwill	1,501	1,067
Amortisation of intangible asset	251	476
Operating cash flows before movements in working capital	(25,935)	(30,820)
Decrease in inventories	4,201	93
Increase in amounts due from customers for contract work	(4,526)	(886)
Decrease in progress payments receivable	5,014	6,386
Decrease in retention money receivable	223	2,650
Increase in development rights	(3,000)	–
(Increase) decrease in accounts receivable	(8,060)	4,728
Increase in prepayments, deposits and other receivables	(22,856)	(5,351)
Increase in amount due from an investee company	–	(5,995)
Increase in amount due from an associate	(29)	–
Decrease in amounts due to customers for contract work	–	(3,542)
Decrease in retention money payable	(392)	(3,961)
Increase in accounts payable, other payables and accrued charges	12,662	1,358
Increase in amounts due to associates	–	2,080
(Decrease) increase in bills payable	(3,238)	2,414
Decrease in amount due to a director	–	(56)
Cash used in operations	(45,936)	(30,902)
Interest received	2,635	1,282
Interest paid	(310)	(87)
Interest on obligations under finance leases	(16)	(19)
Hong Kong Profits Tax paid	(82)	(34)
Net cash used in operating activities	(43,709)	(29,760)



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	Notes	2004 HK\$'000	2003 HK\$'000
Investing activities			
Purchase of property, plant and equipment		(1,555)	(11,862)
Purchase of subsidiaries	43	(1,965)	(20,414)
Purchase of investments in securities		(1,704)	(20,619)
Purchase of intangible asset		–	(2,380)
Investments in associates		–	(7,000)
Investment in a joint venture		–	(19,100)
Purchase of other assets		(165)	(205)
Investment deposits paid		(23,231)	(22,000)
Bank deposits released (pledged)		6,939	(10,951)
Unlisted investment income		–	1,241
Increase in loans receivable		(37,553)	(18,192)
Proceeds from disposal of property, plant and equipment		36	201
Net cash used in investing activities		(59,198)	(131,281)
Financing activities			
Proceeds on issue of ordinary shares, net of issue expenses		93,276	117,499
Indemnity from former controlling shareholders		–	631
Repayment of short-term bank loans		–	(288)
Repayment of obligations under finance leases		(215)	(144)
Contribution from minority shareholders		50	–
Net cash from financing activities		93,111	117,698
Decrease in cash and cash equivalents		(9,796)	(43,343)
Cash and cash equivalents at the beginning of the year		42,413	85,793
Effect of foreign exchange rate changes		–	(37)
Cash and cash equivalents at the end of the year		32,617	42,413
Analysis of the balance of cash and cash equivalents			
Bank balances and cash		37,083	43,490
Bank overdrafts		(4,466)	(1,077)
		32,617	42,413