

# Consolidated Cash Flow Statement

Year ended 31 March 2004

	<i>Notes</i>	<b>2004</b> <b>HK\$'000</b>	2003 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		<b>(20,224)</b>	(29,277)
Adjustments for:			
Interest income from an associate	6	<b>(2,529)</b>	(10,481)
Other interest income	6	<b>(779)</b>	(243)
Depreciation	6	<b>712</b>	947
Unrealised holding loss/(gain) of listed other investments, net		<b>(12,645)</b>	6,792
Gain on disposal of listed investment securities, net	6	—	(4,006)
Provisions against properties held for sale	6	—	880
Loss on transfer of investment securities to other investments, net		—	2,792
Gain on disposal of subsidiaries	26(b)	<b>(23,867)</b>	—
Revaluation deficit/(surplus) of investment properties	6	<b>(871)</b>	4,804
Provision for the settlement of legal proceedings	6	<b>4,800</b>	—
Provision for bad and doubtful debts	6	<b>10,463</b>	—
Provision for impairment of investment securities	6	<b>19,400</b>	—
Write back of provision for compensation loss	6	—	(3,500)
Finance costs	9	<b>7,411</b>	23,538
Operating loss before working capital changes		<b>(18,129)</b>	(7,754)
Decrease in prepayments, deposits and other receivables		<b>13,268</b>	14,287
Decrease/(increase) in other investments		<b>33,763</b>	(9,417)
Increase in loans receivable		<b>(72,420)</b>	(81,331)
Increase/(decrease) in other payables and accrued liabilities		<b>(9,522)</b>	6,488
Increase/(decrease) in other borrowings		<b>(34,209)</b>	21,000
Cash used in operations		<b>(87,249)</b>	(56,727)
Interest received		<b>779</b>	243
Interest paid		<b>(56)</b>	(267)
Overseas tax paid		<b>(5)</b>	—
Net cash outflow from operating activities		<b>(86,531)</b>	(56,751)

# Consolidated Cash Flow Statement (continued)

Year ended 31 March 2004

	<i>Notes</i>	<b>2004</b> <b>HK\$'000</b>	2003 HK\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed assets		(25)	(357)
Acquisition of subsidiaries	26(a)	(7,985)	(5,552)
Purchases of investment securities		(28,525)	(65,709)
Disposal of investment securities		—	22,113
Purchases of held-to-maturity securities		—	(7,500)
Disposal of held-to-maturity securities		—	5,040
Loan to an investee company		(40,000)	—
Disposal of subsidiaries	26(b)	17,985	—
Net cash outflow from investing activities		<u>(58,550)</u>	<u>(51,965)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from rights issue of shares	23	—	102,793
Proceeds from issue of new shares	23	68,710	19,019
Share issue expenses	23	(1,412)	(3,419)
Drawdown of bank and other borrowings		3,150	13,830
Repayment of bank and other borrowings		(184)	(25,019)
Deposits for convertible notes received	21	75,000	—
Net cash inflow from financing activities		<u>145,264</u>	<u>107,204</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		<b>183</b>	<b>(1,512)</b>
Cash and cash equivalents at beginning of year		<u>560</u>	<u>2,072</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<u><b>743</b></u>	<u><b>560</b></u>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		<u>743</u>	<u>560</u>