

**CONSOLIDATED CASH FLOW STATEMENT** For the year ended 31 March 2004

	Note	2004 HK\$'000	2003 HK\$'000
<b>Operating activities</b>			
(Loss)/profit before taxation		(18,237)	711,319
Adjustments for:			
Finance costs		25	–
Additional claims		–	16,933
Amortisation of intangible assets		50	50
Depreciation		808	292
Loss on disposal of fixed assets		–	4
Provision for doubtful debts		–	1,021
Reversal of provision for impairment		(730)	–
Write down of long term investments		537	81
Waiver of secured creditors		–	(648,765)
Waiver of unsecured creditors		–	(2,937)
Write-off of goodwill		130	–
Share of loss of associate		88	–
Gain on deconsolidation of subsidiaries	28	(24)	(92,118)
<b>Operating loss before changes in working capital</b>		<b>(17,353)</b>	<b>(14,120)</b>
Decrease in inventories		242	702
Increase in due from related companies		(937)	–
(Increase)/decrease in trade and other receivables		(22,539)	6,137
(Decrease)/increase in due to a related company		(1,425)	1,425
Decrease in trade and other payables		(1,018)	(25,354)
Cash used in operations		(43,030)	(31,210)
Tax paid – overseas		(1)	(154)
<b>Net cash used in operating activities</b>		<b>(43,031)</b>	<b>(31,364)</b>
<b>Investing activities</b>			
Acquisitions of property, plant and equipment		(731)	(441)
Proceeds from sale of a subsidiary		–	19,457
Acquisitions of associates		(33,000)	–
Acquisitions of long term investments		(2,630)	–
Acquisitions of other investments		(7,811)	–
Proceeds from sales of property, plant and equipment		192	–
Proceeds from sale of long term investments		–	900
Proceeds from sale of properties held for sale		–	19,410
<b>Net cash (used in)/generated from investing activities</b>		<b>(43,980)</b>	<b>39,326</b>
<b>Financing activities</b>			
Repayment of bank loans, overdraft and interest payable		–	(74,886)
Proceeds from shares issued		83,632	65,000
(Repayments)/proceeds from shareholder's loan		(2,259)	2,259
Proceeds from short-term borrowings		4,500	–
Interest elements of finance lease payments		(25)	–
Capital elements of finance lease payments		(251)	–
<b>Net cash generated from/(used in) financing activities</b>		<b>85,597</b>	<b>(7,627)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1,414)</b>	<b>335</b>
<b>Effect of foreign exchange rate changes</b>		<b>34</b>	<b>6</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>5,446</b>	<b>5,105</b>
<b>Cash and cash equivalents at end of the year</b>		<b>4,066</b>	<b>5,446</b>
<b>Analysis of balance of cash and cash equivalents:</b>			
Cash at bank		4,066	5,446