

Consolidated Cash Flow Statement

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For the year ended 31 March 2004

	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit from operations	(9,537)	321,658
Adjustments for:		
Depreciation and amortisation	5,415	16,545
Bad debt written off	30	–
(Reduction in provision for)/provision for litigations	(626)	3,235
Reduction in provision for other payables	(271)	(29,781)
Reduction in provision for net amounts due to subsidiaries not consolidated	–	(148,366)
Reduction in provision for indemnified liabilities of subsidiaries not consolidated	–	(180,734)
Write off of trade and other receivables	–	296
Write off of fixed assets	–	3,831
Write off of amount due from a fellow subsidiary	–	1,955
Provision for loss arising from a loan commitment	–	1,881
Interest income	(3)	(9)
Operating loss before working capital changes	(4,992)	(9,489)
Increase in inventories	(8,564)	(2,356)
Increase in trade receivables	(8,464)	(3,473)
Decrease/(increase) in prepayments and deposits	598	(1,263)
Increase in amount due from a fellow subsidiary	–	(1,955)
Increase/(decrease) in trade and other payables	14,960	(32,897)
Decrease in provision for loss arising from a loan commitment	(1,881)	–
Decrease in provision for litigations	(738)	–
Net cash used in operations	(9,081)	(51,433)
Interest paid	(1,094)	–
Net cash used in operating activities	(10,175)	(51,433)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(22,534)	(17,648)
Interest income	3	9
Net cash used in investing activities	(22,531)	(17,639)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issue of share capital	12,266	39,059
Net proceeds from issue of convertible notes	14,600	30,000
Short term borrowing (repaid)/raised	(1,100)	1,100
Long term borrowings raised, net	19,856	8,236
Net cash from financing activities	45,622	78,395
NET INCREASE IN CASH AND CASH EQUIVALENTS	12,916	9,323
CASH AND CASH EQUIVALENTS AT 1 APRIL	10,789	1,466
CASH AND CASH EQUIVALENTS AT 31 MARCH	23,705	10,789
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	23,705	10,789

The notes on pages 18 to 40 form an integral part of these financial statements.