

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March, 2004 (Expressed in Hong Kong dollars)

| | Note | 2004 '000 | 2003 '000 |
|---|------|----------------|--------------|
| OPERATING ACTIVITIES | | | |
| Loss from operations | | (8,414) | (28,382) |
| Adjustments for: | | | |
| Dividend income | | – | (530) |
| Interest income | | (17) | (159) |
| Depreciation | | 202 | 118 |
| Allowance for other receivables | | 4,113 | 1,000 |
| Unrealised holding gain on trading securities | | (128) | – |
| Loss on disposal of other securities | | 1,048 | 22,365 |
| Operating cash flows before movements in working capital | | (3,196) | (5,588) |
| Increase in trading securities | | (398) | – |
| (Increase) decrease in trade receivable | | (15) | 78 |
| Decrease (increase) in other receivables | | 7,219 | (6,351) |
| (Decrease) increase in other payables and accrued charges | | (189) | 522 |
| Increase in amounts due to related companies | | 187 | 530 |
| Cash from (used in) operations | | 3,608 | (10,809) |
| Dividend received | | – | 530 |
| Interest received | | 17 | 159 |
| Interest paid | | (2) | (1) |
| NET CASH FROM (USED IN) OPERATING ACTIVITIES | | 3,623 | (10,121) |
| INVESTING ACTIVITIES | | | |
| Purchases of investment in securities | | – | (16,769) |
| Proceeds on disposal of investment in securities | | 2,457 | 22,688 |
| Disposal of a subsidiary | 23 | – | 7,300 |
| Deposits paid for the acquisition of investment in securities | | (9,440) | (7,600) |
| Purchase of property, plant and equipment | | (37) | (850) |
| NET CASH (USED IN) FROM INVESTING ACTIVITIES | | (7,020) | 4,769 |

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March, 2004 (Expressed in Hong Kong dollars)

| | 2004 | 2003 |
|---|--------------|-------------|
| | '000 | '000 |
| FINANCING ACTIVITIES | | |
| Proceeds from issue of shares | 8,482 | – |
| Expenses incurred in connection with the issue of shares | (105) | – |
| | <hr/> | <hr/> |
| NET CASH FROM FINANCING ACTIVITIES | 8,377 | – |
| | <hr/> | <hr/> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 4,980 | (5,352) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR | 37 | 5,389 |
| | <hr/> | <hr/> |
| CASH AND CASH EQUIVALENTS AT END OF THE YEAR, representing bank balances and cash | 5,017 | 37 |
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