

Consolidated Cash Flow Statement

Year ended 31 March 2005

	<i>Notes</i>	2005 HK\$'000	2004 <i>HK\$'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(11,423)	(14,600)
Adjustments for:			
Share of results of an associate		–	(311)
Finance costs	7	235	359
Gain on disposal of subsidiaries	5	(230)	–
Gain on disposal of an associate	5	–	(299)
Gain on disposal of fixed assets	5	(137)	(2)
Impairment of fixed assets	6	1,861	–
Unrealised gain on revaluation of short term listed investment	5	(64)	–
Depreciation	6	2,888	3,502
Goodwill amortisation	6	2,498	2,067
Bad and doubtful debt provisions	6	723	288
Operating loss before working capital changes		(3,649)	(8,996)
Decrease in accounts receivable		5,117	3,183
Decrease/(increase) in trade deposits		(3,124)	7,425
Decrease/(increase) in prepayments and other receivables		3,740	(3,607)
Increase in short term investments		(5,012)	–
Increase/(decrease) in accounts payable		(8,933)	8,149
Increase/(decrease) in amounts due to directors		(1,673)	1,673
Increase/(decrease) in other payables and accruals		1,633	(456)
Cash generated/(used in) from operations		(11,901)	7,371
Interest paid	7	(20)	–
Interest element on hire purchase contract rental payments	7	(215)	(359)
Hong Kong profits tax paid		(416)	(33)
Net cash inflow/(outflow) from operating activities		(12,552)	6,979

Consolidated Cash Flow Statement *(Continued)*

Year ended 31 March 2005

	<i>Notes</i>	2005 HK\$'000	2004 <i>HK\$'000</i>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(35)	(65)
Proceeds from disposal of fixed assets		950	251
Disposal of long term investments		–	2,371
Disposal of subsidiaries	28(a)	–	–
Acquisition of subsidiaries	28(b)	–	(12,500)
Acquisition of an associate	28(c)	–	(11,000)
Disposal of an associate	28(c)	–	11,000
Net cash inflow/(outflow) from investing activities		915	(9,943)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loan		800	–
Repayment of bank loan		(333)	–
Capital element of hire purchase contract rental payments		(1,416)	(1,769)
Net cash outflow from financing activities		(949)	(1,769)
NET DECREASE IN CASH EQUIVALENTS			
		(12,586)	(4,733)
Cash and cash equivalents at beginning of year		24,064	28,797
CASH AND CASH EQUIVALENTS AT END OF YEAR		11,478	24,064
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents		11,478	24,064