

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2005

	2005 HK\$'000	2004 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss from operations	(53,057)	(49,713)
Adjustments for:		
Provision for doubtful debts	792	10,598
Amortisation of intangible assets	3,582	1,591
Interest income	(92)	(81)
Gain on disposal of subsidiaries	–	(5,676)
Gain on disposal of discontinued operations	–	(14,923)
Depreciation	1,098	1,722
Impairment losses recognised in respect of investments in securities	695	8,053
Impairment losses of goodwill	7,192	–
Loss on disposal of other investments	–	2,726
Loss on disposal of investment securities	–	3,955
Provision for obsolete inventories	–	1,498
Loss on disposal of property, plant and equipment	118	442
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Operating cash flows before movements in working capital	(39,672)	(39,808)
Decrease in inventories	1,399	6,464
Decrease/(Increase) in trade receivables	14,352	(1,207)
Decrease in prepayments, deposits and other receivables	34,444	3,212
Decrease in trade payables	(4,399)	(1,188)
Decrease in other payables and accrued liabilities	(13,905)	(4,964)
Increase/(Decrease) in amounts due to directors	3,432	(5,773)
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Cash used in operations	(4,349)	(43,264)
Interest paid	(73)	(2,321)
Interest on obligations under finance leases	(1)	(202)
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Net cash outflow from operating activities	(4,423)	(45,787)

The notes on pages 32 to 73 form an integral part of these financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2005

	Note	2005 HK\$'000	2004 HK\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		92	81
Purchase of property, plant and equipment		(5,651)	(122)
Proceeds from disposal of property, plant and equipment		307	800
Purchase of investments in securities		–	(11,638)
Proceeds from disposal of investments in securities		–	11,552
Advances of loan receivables		(200)	(400)
Repayment of loan receivable		600	361
Repayment of exchangeable loan receivables		–	14,500
Acquisition of subsidiaries	29	(47,889)	(10,548)
Disposal of subsidiaries		–	(763)
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Net cash (used in)/generated from investing activities		(52,741)	3,823
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New bank loans raised		1,887	–
Repayment of bank loans		(1,887)	–
Issue of convertible bonds		–	50,000
Issue of shares net of expenses		33,139	72,239
Repayment of obligations under finance leases		(67)	(2,652)
Payment to related companies		–	(5,005)
Redemption on bonds		–	(5,460)
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Net cash generated from financing activities		33,072	109,122
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		(24,092)	67,158
Effect of foreign currency exchange rate changes		16	–
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>			
		<hr/> 71,394	<hr/> 4,236
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR, REPRESENTED BY BANK BALANCES AND CASH</b>			
		<hr/> <hr/> 47,318	<hr/> <hr/> 71,394

The notes on pages 32 to 73 form an integral part of these financial statements.