

# CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2005

	2005 HK\$'000	2004 HK\$'000
(Loss)/profit before tax	<b>(2,204)</b>	32,956
Adjustments for:		
Depreciation of fixed assets	–	569
Interest expense	<b>79</b>	3,549
Interest received	–	(562)
Reversal of net liabilities of discontinued operation previously consolidated	–	(39,297)
Operating loss before working capital changes	<b>(2,125)</b>	(2,785)
Decrease in inventories	–	789
(Increase)/decrease in trade receivables	<b>(70)</b>	24,664
Decrease/(increase) in prepayment, deposits and other receivables	<b>275</b>	(17,106)
Decrease in trade payables	–	(61,450)
Increase/(decrease) in other payable and accruals	<b>77</b>	(1,564)
Increase in amount due to a director	<b>1,594</b>	–
Increase in amount due to a shareholder	–	2,423
Increase in amount due to a related company	<b>180</b>	–
Cash generated from operations	<b>(69)</b>	(55,029)
Interest paid	<b>(79)</b>	(3,549)
Profits tax paid	–	(29)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<b>(148)</b>	(58,607)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiary, net of cash acquired ( <i>Note A</i> )	–	–
Purchase of property, plant and equipment	–	(692)
Effect on discontinued operation of a subsidiary, net of cash and cash equivalents	–	55,953
Interest received	–	562
Net cash used in investing activities	–	55,823
NET INCREASE IN CASH AND CASH EQUIVALENTS	<b>(148)</b>	(2,784)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<b>(999)</b>	1,785
CASH AND CASH EQUIVALENTS AT END OF YEAR ( <i>NOTE B</i> )	<b>(1,147)</b>	(999)

# CONSOLIDATED CASH FLOW STATEMENT *(Continued)*

YEAR ENDED 31 MARCH 2005

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

### A. Acquisition of Subsidiary

During the year the Group acquired subsidiaries, namely Access Direct Trading Limited, Gold Joy Industrial Limited, Gold Max Industrial Limited, Capital Spirit Limited and Kingston Trading Limited. The fair value of assets acquired and liabilities assumed were \$Nil.

### B. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:-

	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i>
Bank balances and cash	2,853	1
Other loan (unsecured)	<u>(4,000)</u>	<u>(1,000)</u>
Cash and cash equivalents	<u><u>(1,147)</u></u>	<u><u>(999)</u></u>