

Consolidated Cash Flow Statement

Year ended 31 March 2005

	<i>Note</i>	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i>
Cash flows from operating activities			
Loss before tax		(3,722)	(95,020)
Adjustments for:			
Finance costs	8	7,098	11,517
Interest income	6, 7	(823)	(1,181)
Dividend income from listed investments	6, 7	(1)	(109)
Depreciation	7	1,094	7,555
Amortisation of goodwill	7	–	1,114
Amortisation of know-how, patent and deferred development costs	7	–	1,803
Bad debts written off	7	574	4,054
Impairment of fixed assets	7	19	36,762
Impairment of know-how	7	–	2,816
Impairment of deferred development costs	7	–	2,860
Unrealised gain on revaluation of short term listed investments	7	–	(28)
Loss/(gain) on disposal of short term listed investments	7	8	(1,225)
Deficit/(surplus) on revaluation of investment properties	7	365	(7,050)
Provision/(write back of provision) for prepayments and other receivables	7	648	(329)
Provision for amount due from a director	7	160	–
Provision for amount due from a related company	7	–	314
Provision for amounts due from intermediate holding companies, net	7	1,008	13,314
Provision/(write back of provision) for obsolete and slow-moving inventories	7	99	(1,796)
Provision for doubtful trade receivables	7	–	402
Provision for legal compensation	7	856	17,871
Impairment of interests in associates	7	–	583
Impairment of long term unlisted investments	7	–	1,175
Loss on disposal of fixed assets, net	7	3,407	139
Loss on disposal of a subsidiary	7	–	1,404
Gain on deconsolidation of subsidiary	35(b)	(16,686)	–
Operating loss before working capital changes		(5,896)	(3,055)
Decrease/(increase) in trade receivables		291	(10,227)
Increase in inventories		(109)	(2,892)
Increase in prepayments, deposits and other receivables		(2,773)	(834)
(Decrease)/increase in amounts due from intermediate holding companies		(372)	64
Increase in amount due from director		(177)	–
(Decrease)/increase in trade payables		(2,178)	11,974
Increase in other payables and accruals		4,938	786
Decrease in provision for long service payment		(8)	(115)
Cash used in operations		(6,284)	(4,299)
Dividend income from listed investment		1	109
Overseas tax paid		–	(1)
Net cash outflow from operating activities		(6,283)	(4,191)

Consolidated Cash Flow Statement (Continued)

Year ended 31 March 2005

	<i>Note</i>	2005 <i>HKS'000</i>	2004 <i>HKS'000</i>
Cash flows from investing activities			
Interest received		207	533
Purchases of fixed assets		(273)	(1,969)
Proceeds from disposal of fixed assets		44,763	2
Disposal of a subsidiary	35(a)	–	3,956
Deconsolidation of subsidiaries	35(b)	(603)	(4,199)
Decrease in time deposits with a maturity of more than three months when acquired		30,000	–
Proceeds from disposal of short term investments		63	3,903
Net cash generated from investing activities		74,157	2,226
Cash flows from financing activities			
Interest paid		(2,738)	(4,373)
Interest element on finance lease payments		(22)	(40)
Other loans		4,000	21,139
Repayment of bank and other loans		(70,497)	(18,605)
Decrease in trust receipt loans		–	(195)
Release of finance lease payments by disposal of fixed assets		31	–
Capital element of finance lease payments		(98)	(181)
Net cash used in financing activities		(69,324)	(2,255)
Net decrease in cash and cash equivalents		(1,450)	(4,220)
Cash and cash equivalents at beginning of year		4,624	8,844
Cash and cash equivalents at end of year		3,174	4,624
Analysis of balances of cash and cash equivalents			
Cash and bank balances		3,174	4,624