

# Consolidated Cash Flow Statement

Year ended 31 March 2004

	<i>Note</i>	<b>2004</b> <i>HK\$'000</i>	2003 <i>HK\$'000</i>
<b>Cash flows from operating activities</b>			
Loss before tax		<b>(95,020)</b>	(78,908)
Adjustments for:			
Finance costs	8	<b>11,517</b>	6,683
Interest income	6, 7	<b>(1,181)</b>	(1,861)
Dividend income from listed investments	6, 7	<b>(109)</b>	(229)
Depreciation	7	<b>7,555</b>	10,259
Amortisation of goodwill	7	<b>1,114</b>	1,511
Amortisation of know-how, patent and deferred development costs	7	<b>1,803</b>	2,071
Bad debts written off	7	<b>4,054</b>	–
Impairment of fixed assets	7	<b>36,762</b>	–
Impairment of goodwill	7	–	5,147
Impairment of know-how	7	<b>2,816</b>	9,696
Impairment of deferred development costs	7	<b>2,860</b>	6,337
Unrealised (gain)/loss on revaluation of short term listed investments	7	<b>(28)</b>	1,687
(Gain)/loss on disposal of short term listed investments	7	<b>(1,225)</b>	1,279
(Surplus)/deficit on revaluation of investment properties	7	<b>(7,050)</b>	2,000
(Write back of provision)/Provision for prepayments and other receivables	7	<b>(329)</b>	3,086
Provision for amount due from an associate	7	–	1,728
Provision for amount due from a related company	7	<b>314</b>	1,061
Provision for amounts due from intermediate holding companies	7	<b>13,314</b>	–
(Write back of provision)/Provision for obsolete and slow-moving inventories	7	<b>(1,796)</b>	1,266
Provision for doubtful trade receivables	7	<b>402</b>	5,674
Provision for legal compensation	7	<b>17,871</b>	–
Impairment of interests in associates	7	<b>583</b>	–
Impairment of long term unlisted investments	7	<b>1,175</b>	3,000
Loss on disposal of fixed assets, net	7	<b>139</b>	498
Loss on disposal of a subsidiary	7	<b>1,404</b>	–
Reversal of over-provision for long service payments		–	(150)
Operating loss before working capital changes		<b>(3,055)</b>	(18,165)
Increase in trade receivables		<b>(10,227)</b>	(642)
Increase in inventories		<b>(2,892)</b>	(1,592)
(Increase)/decrease in prepayments, deposits and other receivables		<b>(834)</b>	1,201
Increase in amounts due from related companies		–	(293)
Decrease/(increase) in amounts due from intermediate holding companies		<b>64</b>	(5,140)
Increase in trade payables		<b>11,974</b>	5,629
Increase in other payables and accruals		<b>786</b>	2,861
Decrease in provision for long service payment		<b>(115)</b>	–
Cash used in operations		<b>(4,299)</b>	(16,141)
Dividend income from listed investment		<b>109</b>	229
Overseas tax paid		<b>(1)</b>	(1)
<b>Net cash outflow from operating activities</b>		<b>(4,191)</b>	(15,913)

# Consolidated Cash Flow Statement

Year ended 31 March 2004

	<i>Note</i>	<b>2004</b> <i>HK\$'000</i>	2003 <i>HK\$'000</i>
<b>Cash flows from investing activities</b>			
Interest received		533	1,861
Purchases of fixed assets		(1,969)	(3,896)
Proceeds from disposal of fixed assets		2	102
Disposal of a subsidiary	35(a)	3,956	–
Deconsolidation of subsidiaries	35(b)	(4,199)	–
Additions to intangible assets		–	(3,621)
Decrease in time deposits with a maturity of more than three months when acquired		–	1,955
Proceeds from disposal of short term investments		3,903	4,504
<b>Net cash generated from investing activities</b>		<b>2,226</b>	905
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital		–	352
Interest paid		(4,373)	(5,805)
Interest element on finance lease payments		(40)	(32)
New bank and other loans		21,139	48,116
Repayment of bank and other loans		(18,605)	(43,612)
Decrease in trust receipt loans		(195)	(89)
Capital element of finance lease payments		(181)	(135)
<b>Net cash used in financing activities</b>		<b>(2,255)</b>	(1,205)
<b>Net decrease in cash and cash equivalents</b>		<b>(4,220)</b>	(16,213)
Cash and cash equivalents at beginning of year		8,844	25,057
<b>Cash and cash equivalents at end of year</b>		<b>4,624</b>	8,844
<b>Analysis of balances of cash and cash equivalents</b>			
Cash and bank balances		4,624	8,844