

# Consolidated Cash Flow Statement

Year ended 31 March 2003

Notes	2003	2002
	HK\$'000	HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss from operating activities	(10,313)	(33,397)
Adjustments for:		
Interest income	(98)	(630)
Unrealised holding gain on long term investment reclassified from interests in associates	–	(202)
Depreciation	1,613	1,338
Amortisation of goodwill	5,519	2,609
Impairment loss of goodwill	–	16,922
Provision for doubtful debts	2,146	882
Impairment loss of inventories	86	–
Gain on disposal of fixed assets	(31)	–
Fixed assets written off	422	1,737
(Gain)/loss on disposal of subsidiaries	(7,091)	2,050
<b>OPERATING LOSS BEFORE CHANGES IN WORKING CAPITAL</b>	(7,747)	(8,691)
Decrease/(increase) in properties held for resale	770	(2,881)
(Increase)/decrease in inventories	(2,849)	23,403
Decrease/(increase) in accounts receivable	8,979	(25,374)
Decrease in prepayments, deposits and other receivables	30,760	41,058
Increase/(decrease) in accounts payable	6,036	(4,917)
Decrease in accrued liabilities and other payables	(823)	(8,069)
<b>CASH GENERATED FROM OPERATING ACTIVITIES</b>	35,126	14,529
<b>TAX</b>		
Hong Kong profits tax paid	(453)	(78)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	34,673	14,451
<b>INVESTING ACTIVITIES</b>		
Increase in pledged bank deposit	(1,036)	–
Acquisition of subsidiaries	(36,040)	(36,337)
Disposal of subsidiaries	712	176
Acquisition of associates	(514)	(2,000)
Proceeds from disposal of fixed assets	528	–
Purchases of fixed assets	(2,798)	(855)
Advance from/(to) associates	1,920	(261)
Interest income	98	630
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>	(37,130)	(38,647)
<b>FINANCING ACTIVITIES</b>		
Interest paid	(537)	(197)
Dividend paid to minority shareholder	(1,600)	–
New short term bank loan	299	–
Repayment of short term bank loan	(107)	–
Repayment of long term bank loan	–	(155)
<b>NET CASH OUTFLOW FROM FINANCING ACTIVITIES</b>	(1,945)	(352)
<b>Net decrease in cash and cash equivalents</b>	(4,402)	(24,548)
<b>Effect on exchange differences</b>	(17)	–
<b>Cash and cash equivalents at beginning of year</b>	15,814	40,362
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	11,395	15,814
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	11,101	15,814
Bills receivable	294	–
	11,395	15,814