

## CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2003

|   | Notes | 2003<br>HK\$'000 | 2002<br>HK\$'000 |
|---|-------|------------------|------------------|
|   |       |                  | (Restated)       |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |       |                  |                  |
| Loss before tax   |       | <b>(38,723)</b>  | (50,644)         |
| Adjustments for:  |       |                  |                  |
| Depreciation  | 14    | <b>8,644</b>     | 10,168           |
| Loss on disposal of fixed assets                                | 7     | <b>1,109</b>     | 1,061            |
| Impairment of fixed assets                                      | 7     | <b>10,610</b>    | 2,495            |
| Impairment of a long term investment                            | 7     | <b>–</b>         | 2,300            |
| Revaluation deficit on fixed assets                             | 7     | <b>168</b>       | 1,863            |
| Share of profits/(losses) of:                                   |       |                  |                  |
| Jointly controlled entity                                       |       | <b>(6,128)</b>   | 5                |
| Associate   |       | <b>–</b>         | (252)            |
| Provision for an amount due from a<br>jointly controlled entity |       | <b>–</b>         | 749              |
| Loss on disposal of subsidiaries                                |       | <b>2,204</b>     | –                |
| Loss on disposal of interests in associates                     |       | <b>1,126</b>     | 10,000           |
| Interest income   | 7     | <b>(90)</b>      | (301)            |
| Finance costs   | 8     | <b>15,002</b>    | 18,910           |
|   |       | <hr/>            | <hr/>            |
| Operating loss before working capital changes                   |       | <b>(6,078)</b>   | (3,646)          |
| Decrease/(increase) in trade receivables                        |       | <b>1,664</b>     | (583)            |
| Decrease in prepayments, deposits and<br>other receivables      |       | <b>4,239</b>     | 1,052            |
| Decrease in inventories   |       | <b>1,471</b>     | 1,523            |
| Decrease in trade payables                                      |       | <b>(5,269)</b>   | (6,769)          |
| Decrease in other payables and accruals                         |       | <b>(691)</b>     | (955)            |
| Increase/(decrease) in provision for long<br>service payments   |       | <b>(129)</b>     | 4,225            |
|   |       | <hr/>            | <hr/>            |
| Cash used in operations   |       | <b>(4,793)</b>   | (5,153)          |
| Hong Kong profits tax refunded/(paid)                           |       | <b>(36)</b>      | 286              |
|   |       | <hr/>            | <hr/>            |
| Net cash outflow from operating activities                      |       | <b>(4,829)</b>   | (4,867)          |

## CONSOLIDATED CASH FLOW STATEMENT (Continued)

Year ended 31 March 2003

|   | Notes | 2003<br>HK\$'000 | 2002<br>HK\$'000 |
|---|-------|------------------|------------------|
|   |       |                  | (Restated)       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |       |                  |                  |
| Proceeds from disposal of subsidiaries  | 26(a) | 1,500            | –                |
| Proceeds from disposal of associates  |       | 4,500            | 10,000           |
| Dividends received from a jointly controlled entity   |       | 5,000            | –                |
| Investment in a jointly controlled entity   |       | –                | (5)              |
| Purchases of fixed assets   |       | (1,208)          | (1,784)          |
| Proceeds from disposal of fixed assets  |       | 370              | 606              |
| Decrease/(increase) in pledged bank deposits  |       | 615              | (27)             |
| Advances from/(to) jointly controlled entities  |       | 5,744            | (3,782)          |
| Advances to associates  |       | (28)             | (52)             |
| Interest received   |       | 90               | 301              |
| Net cash inflow from investing activities   |       | <u>16,583</u>    | <u>5,257</u>     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |       |                  |                  |
| New bank loans  |       | 20,066           | 28,856           |
| Repayment of bank loans   |       | (20,438)         | (24,413)         |
| New other loans   |       | –                | 15,000           |
| Repayment of other loans  |       | (5,000)          | (5,000)          |
| Capital element of finance lease rental payments  |       | (496)            | (395)            |
| Contribution from minority shareholders   |       | 5                | –                |
| Advances from minority shareholders   |       | 1,035            | –                |
| Proceeds from issue of share capital  | 24    | 389              | –                |
| Interest paid   |       | (15,894)         | (18,832)         |
| Interest element on finance lease rental payments   |       | (69)             | (78)             |
| Net cash outflow from financing activities  |       | <u>(20,402)</u>  | <u>(4,862)</u>   |
| NET DECREASE IN CASH AND CASH EQUIVALENTS   |       | <u>(8,648)</u>   | <u>(4,472)</u>   |
| Cash and cash equivalents at beginning of year  |       | <u>755</u>       | <u>5,227</u>     |
| CASH AND CASH EQUIVALENTS AT END OF YEAR  |       | <u>(7,893)</u>   | <u>755</u>       |
| <b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>  |       |                  |                  |
| Cash and bank balances  |       | 12,487           | 17,355           |
| Time deposits with original maturity of less than three months when acquired, pledged as security for bank overdraft facilities |       | 6,179            | 6,121            |
| Bank overdrafts   | 19    | (26,559)         | (22,721)         |
|   |       | <u>(7,893)</u>   | <u>755</u>       |