

# Consolidated Cash Flow Statement

Period from 1 April 2003 to 31 December 2003

	Notes	Period from 1 April 2003 to 31 December 2003 HK\$'000	Year ended 31 March 2003 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(60,856)	(167,792)
Adjustments for:			
Impairment of leasehold land and buildings		12,161	–
Revaluation deficit of investment properties		1,500	8,157
Impairment of a long term investment		3,700	76,361
Unrealised holding losses on other investments		3,266	57,202
Provision for loss on put option		1,500	–
Provision for and write-off of bad and doubtful debts		8,244	9,197
Loss on disposal of subsidiaries		–	4,690
Gain on disposal of discontinued operation	5	–	(2,747)
Interest income	7	(1,230)	(2,944)
Depreciation	8	6,526	12,871
Loss on disposal of fixed assets	8	318	987
Loss on disposal of other investments	8	–	51
Loss on disposal of an associate	8	–	314
Write-back of provision against inventories	8	(2,509)	(14,448)
Finance costs	11	8,675	18,757
Share of profits and losses of associates		109	(417)
Operating profit/(loss) before working capital changes		(18,596)	239
Decrease/(increase) in accounts receivable		79,442	(99,955)
Decrease in inventories		14,923	45,496
Decrease/(increase) in prepayments, deposits and other receivables		5,083	(3,056)
Increase/(decrease) in accounts payable		(47,641)	22,599
Decrease in provisions		(280)	(2,867)
Increase in deposits received, accruals and other payables		21,687	46,247
Cash generated from operations		54,618	8,703
Interest element of finance lease rental payments	11	(16)	(37)
Hong Kong profits tax refunded		3	–
Overseas taxes refunded		–	161
Overseas taxes paid		(6,219)	(3,456)
Net cash inflow from operating activities			
Continuing operations		48,386	5,683
Discontinued operation		–	(312)
		48,386	5,371

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<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		1,230	2,125
Purchases of fixed assets	15	(3,599)	(2,889)
Proceeds from disposal of fixed assets		29	365
Net outflow from disposal of subsidiaries	32(b)	–	(1,129)
Net proceeds from disposal of an associate		–	(314)
Proceeds from disposal of other investments		–	72
Decrease/(increase) in pledged time deposits		1,314	(9,875)
<b>Net cash outflow from investing activities</b>			
Continuing operations		(1,026)	(11,662)
Discontinued operation		–	17
		<b>(1,026)</b>	<b>(11,645)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares on exercise of share options	28	34	414
Share issue expenses in relation to conversion of convertible bonds	28	(1,613)	–
Net proceeds from issue of convertible bonds		–	136,465
Repayment of convertible bonds		–	(79,187)
New bank loans		1,224	50,844
Repayment of bank loans		(4,977)	(86,739)
Repayment of supplier loans		(4,743)	(3,786)
Capital element of finance lease payments		(27)	(118)
Increase in due to minority interests		2,912	–
Interest paid on bank loans, overdrafts and supplier loans	11	(2,942)	(5,214)
Interest paid on convertible bonds		(12,278)	(14,873)
Dividend paid to minority interests		(368)	–
<b>Net cash outflow from financing activities</b>		<b>(22,778)</b>	<b>(2,194)</b>

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NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		24,582	(8,468)
Cash and cash equivalents at beginning of period/year		108,160	116,856
Effect of foreign exchange rate changes, net		829	(228)
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR		<u>133,571</u>	<u>108,160</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	22	121,358	102,422
Non-pledged time deposits with original maturity of less than three months when acquired	22	12,214	5,738
		<u>133,572</u>	<u>108,160</u>
Bank overdrafts	26	(1)	–
		<u>133,571</u>	<u>108,160</u>