

Consolidated Cash Flow Statement

Year ended 31 March 2004

Notes	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	33,708	45,141
Adjustments for:		
Finance costs	7 2,041	2,552
Share of profits and losses of associates	10,307	11,409
Provision for impairment of goodwill of an associate	–	7,000
Provision for an amount due from an associate	–	3,400
Amortisation of goodwill of associates	15 7,656	16,454
Net holding loss/(gain) on investments	6 (570)	570
Interest income from investments	5 (2,386)	(1,865)
Interest income	5 (8,428)	(9,007)
Dividend income from listed securities	5 (128)	(93)
Loss/(gain) on disposal of subsidiaries	33(d) 1,020	(17,031)
Gain on disposal of interests in an associate	(13,048)	(73,891)
Gain on disposal of investments, net	5 (109)	(200)
Gain on disposal of convertible notes due from an associate	5 (17,883)	–
Provision for and write-off of bad and doubtful debts	6 6,821	5,158
Provision for impairment of long term investments	6 1,641	637
Depreciation	6, 14 12,595	15,000
Amortisation of trademarks and patents	6 –	5
Amortisation of goodwill of subsidiaries	6, 15 6,246	947
Loss on disposal/write-off of fixed assets	6 200	1,061
Deficit/(surplus) on revaluation of investment properties	6, 14 (7,066)	6,210
Recognition of deferred gain on disposal of subsidiaries	5 (688)	(944)
Operating profit before working capital changes	31,929	12,513
Decrease/(increase) in trade receivables, prepayments, deposits and other receivables	(11,721)	18,162
Increase in inventories	(887)	(171)
Decrease in properties held for re-sale	–	1,167
Increase/(decrease) in trade payables, other payables and accruals	2,202	(7,845)
Decrease in deposits received and receipts in advance	(1,420)	(13,405)
Decrease in provisions for onerous contracts	6, 26 (6,566)	(6,878)
Increase in deferred income	–	294
Cash generated from operations	13,537	3,837
Hong Kong profits tax refunded/(paid)	(909)	29
Net cash inflow from operating activities	12,628	3,866

Consolidated Cash Flow Statement (Cont'd)

Year ended 31 March 2004

	Notes	2004 HK\$'000	2003 HK\$'000
Net cash inflow from operating activities		12,628	3,866
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		8,295	9,007
Dividend income from listed securities		128	93
Dividend income from an associate		–	3,409
Interest income from investments		2,386	1,865
Decrease/(increase) in amounts due from associates		208	(18,498)
Increase in amounts due to associates		19	–
Acquisition of a subsidiary	33(b)	–	(5,073)
Acquisitions of additional shares in a subsidiary	33(c)	(1,929)	300
Acquisition of an associate		–	(2,500)
Acquisitions of additional shares in associates		–	(28,935)
Net outflow of cash and cash equivalents in respect of the disposal of subsidiaries	33(d)	(3,904)	(8,227)
Proceeds from disposal of interests in an associate		–	41,521
Increase in other deposits		(30,630)	–
Purchases of fixed assets		(11,678)	(60,622)
Purchases of investment properties		(95,807)	(88,646)
Proceeds from disposal of an investment property		1,925	–
Proceeds from disposal of fixed assets		217	–
Proceeds from disposal of a short term investment		4,784	5,200
Proceeds from disposal of convertible notes		102,383	–
New loans to an associate		(9,000)	–
Settlement of loans to an associate		87,750	–
Settlement of convertible notes due from an associate		13,000	–
Purchases of long term investments		(21,784)	(14,337)
Purchases of short term investments		(38,189)	–
Net cash inflow/(outflow) from investing activities		8,174	(165,443)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(2,041)	(2,552)
Dividend paid		(2,037)	–
Dividend paid to minority shareholders		–	(2,226)
Proceeds from issue of shares	30	25,960	39,000
Share issue expenses	30	(810)	(2,392)
Proceeds from issue of warrants	30	–	2,000
Warrant issue expenses		–	(265)
Repayment of bank loans		(27,065)	(24,145)
New bank loans		60,475	52,600
Capital element of finance lease rental payments		(110)	(58)
Net cash inflow from financing activities		54,372	61,962

Consolidated Cash Flow Statement *(Cont'd)*

Year ended 31 March 2004

Notes	2004 HK\$'000	2003 HK\$'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	75,174	(99,615)
Cash and cash equivalents at beginning of year	214,191	313,806
CASH AND CASH EQUIVALENTS AT END OF YEAR	289,365	214,191
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	22 25,931	40,947
Non-pledged time deposits with original maturity of less than three months when acquired	22 263,434	173,244
	289,365	214,191