

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2004

	2004 HK\$'000	2003 HK\$'000
Cash flows from operating activities		
Profit/(Loss) before taxation	7,730	(239,675)
Adjustments for:		
Finance costs	1	186
Interest income	(439)	(278)
Loss on disposal of fixed assets	369	212
Depreciation	4,427	5,117
Provision for impairment of long term investments	5,700	8,563
Provision for impairment of goodwill	–	150,000
Amortisation of intangible assets	1,893	1,841
Amortisation of goodwill	1,974	2,028
Write off of deposits	466	–
Provision for bad and doubtful debts	541	–
Long outstanding trade and other payables written back	2,154	–
Operating profit/(loss) before working capital changes	24,816	(72,006)
Decrease in other assets	130	195
(Increase)/Decrease in trade receivables, short term loan receivables, prepayments, deposits and other receivables	(50,087)	6,278
(Increase)/Decrease in short term investments	(7,050)	53,950
Increase in trust bank balances and trust time deposits held on behalf of customers	(85,719)	(11,344)
Increase in trade payables, other payables and accruals	90,161	7,260
Cash used in operations	(27,749)	(15,667)
Hong Kong profits tax refunded	–	14
Net cash used in operating activities	(27,749)	(15,653)
Cash flows from investing activities		
Interest received	439	278
Purchase of fixed assets	(1,916)	(1,168)
Proceeds from disposal of fixed assets	7	164
Additions of intangible assets	(400)	(1,242)
Purchase of long term investments	(472)	(1,453)
Return of capital of long term investments	6,006	3,979
Increase in long term loan receivable	(14,580)	–
Net cash (used in)/generated from investing activities	(10,916)	558
Cash flows from financing activities		
Interest paid	(1)	(186)
Rights issue	–	29,011
Share issue expenses	–	(1,677)
Redemption of convertible note payable	–	(2,201)
New short term bank loans	38,518	14,927
Repayment of short term bank loans	(8,500)	(21,000)
Capital element of finance lease rental payments	–	(316)
Customer deposit received	14,580	–
Net cash generated from financing activities	44,597	18,558
Net increase in cash and cash equivalents	5,932	3,463
Cash and cash equivalents at 1 April 2003	17,001	13,538
Cash and cash equivalents at 31 March 2004	22,933	17,001
Analysis of balances of cash and cash equivalents		
Cash and bank balances	17,343	11,062
Time deposits	5,590	5,939
	22,933	17,001