

# CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2004

	Notes	2004 HK\$'000	2003 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before tax		<b>2,933</b>	(10,008)
Adjustments for:			
Interest income	5	<b>(1,335)</b>	(2,363)
Depreciation	6	<b>400</b>	971
Gain on disposal of an associate	5	–	(78)
Gain on disposal of fixed assets	5	<b>(26)</b>	–
Write-back of impairment of long term investments		–	(2,898)
Write-off of exchange fluctuation reserve of overseas subsidiaries	6	–	1,634
Operating profit/(loss) before working capital changes		<b>1,972</b>	(12,742)
Decrease in an amount due from a related company		–	1,631
Decrease/(increase) in prepayments, deposits and other receivables		<b>5,359</b>	(724)
Decrease/(increase) in short term investments		<b>18,639</b>	(13,198)
Decrease in an amount due to an associate		–	(241)
Increase/(decrease) in other payables and accruals		<b>111</b>	(179)
Cash generated from/(used in) operations		<b>26,081</b>	(25,453)
Interest received		<b>1,335</b>	2,363
Net cash inflow/(outflow) from operating activities		<b>27,416</b>	(23,090)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of fixed assets		<b>52</b>	–
Proceeds from disposal of an associate		–	5,563
Net cash inflow from investing activities		<b>52</b>	5,563
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of year		<b>109,684</b>	127,699
Effect of foreign exchange rate changes, net		<b>8</b>	(488)
CASH AND CASH EQUIVALENTS AT END OF YEAR		<b>137,160</b>	109,684
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		<b>137,160</b>	109,684