

Consolidated Cash Flow Statement

Year ended 31 March 2004

	<i>Notes</i>	2004 HK\$'000	2003 <i>HK\$'000</i> <i>(Restated)</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		1,204	(66,408)
Adjustments for:			
Interest income	5	(921)	(3,224)
Finance costs	8	274	4,270
Gain on disposal of subsidiaries relating to discontinued operations	6	–	(5,943)
Depreciation	7	4,631	7,872
Write off of fixed assets	7	–	195
Loss/(gain) on disposal of fixed assets	5, 7	15	(32)
Impairment of goodwill	7	4,413	9,610
Provision for inventories	7	–	121
Loss on disposal of other securities		1,761	21,231
Unrealised (gain)/loss on other securities		(29,597)	7,530
Provisions for impairment in values of investment securities		–	8,000
Provision for trade receivables	7	–	3,321
Provision for other receivables	7	–	3,368
Operating loss before working capital changes		(18,220)	(10,089)
Increase in trade receivables		(147)	(9,430)
(Increase)/decrease in inventories		(801)	10,316
Increase in prepayments, deposits and other receivables		(2,012)	(1,505)
Decrease in trade and bills payables		(1,067)	(7,537)
Increase in other payables and accruals		405	11,648
Decrease in trust receipt loans		–	(4,838)
Cash used in operations		(21,842)	(11,435)
Interest paid		(274)	(4,270)
Net cash outflow from operating activities			
Continuing operations		(22,116)	(13,025)
Discontinued operations		–	(2,680)
Total		(22,116)	(15,705)

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CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to construction in progress		–	(3,500)
Purchases of fixed assets	14	(208)	(1,435)
Proceeds from disposal of fixed assets		2	50
Repayment of convertible notes		–	50,000
Proceeds from disposal of convertible notes		–	7,500
Purchases of other securities		(85,331)	(153,990)
Proceeds from disposal of other securities		98,475	70,503
Net cash inflow from disposal of subsidiaries relating to discontinued operations	28(a)	–	4,929
Interest received		1,799	1,796
Net cash inflow/(outflow) from investing activities			
Continuing operations		14,737	(25,268)
Discontinued operations		–	1,121
Total		14,737	(24,147)
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown of an other loan		–	4,583
Capital element of finance lease rental payments		–	(205)
Proceeds from issue of share capital	25	15,331	–
Net cash inflow/(outflow) from financing activities			
Continuing operations		15,331	(116)
Discontinued operations		–	4,494
Total		15,331	4,378
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		7,952	(35,474)
Cash and cash equivalents at beginning of year		19,864	55,338
CASH AND CASH EQUIVALENTS AT END OF YEAR		27,816	19,864

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ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	20,214	1,731
Non-pledged time deposits with original maturity of less than three months when acquired	21	5,436	19,460
Time deposits with original maturity of pledged as security for banking facilities	21	6,534	6,493
Bank overdrafts		(4,368)	(7,820)
		27,816	19,864