

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2004

<i>Note</i>	2004 HK\$'000	2003 <i>HK\$'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss from operations	(49,713)	(59,565)
Adjustments for:		
Provision for doubtful debts	10,598	18,829
Amortisation of goodwill	1,591	–
Interest income	(81)	(1,455)
Gain on disposal of subsidiaries	(5,676)	–
Gain on disposal of discontinued operations	(14,923)	–
Depreciation	1,722	3,075
Impairment losses recognised in respect of investments in securities	8,053	7,500
Loss/(gain) on disposal of other investments	2,726	(38)
Loss on disposal of investment securities	3,955	5,000
Provision for obsolete inventories	1,498	–
Loss on disposal of plant and equipment	442	344
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Operating cash flows before movements in working capital	(39,808)	(26,310)
Decrease/(increase) in inventories	6,464	(4,303)
Increase in trade receivables	(1,207)	(9,746)
Decrease/(increase) in prepayments, deposits and other receivables	3,212	(10,121)
(Decrease)/increase in trade payables	(1,188)	23,059
(Decrease)/increase in other payables and accrued liabilities	(4,964)	1,408
(Decrease)/increase in amounts due to directors	(5,773)	8,622
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Cash used in operations	(43,264)	(17,391)
Interest paid	(2,321)	(621)
Interest on obligations under finance leases	(202)	(511)
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Net cash outflow from operating activities	(45,787)	(18,523)

The notes on pages 30 to 77 form an integral part of these financial statements.

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2004

	Note	2004 HK\$'000	2003 HK\$'000
CASH FLOW FROM INVESTING ACTIVITIES			
Interest received		81	626
Purchase of plant and equipment		(122)	(190)
Proceeds from disposal of plant and equipment		800	1,046
Purchase of investments in securities		(11,638)	(15,966)
Proceeds from disposal of investments in securities		11,552	1,112
Advances of loan receivables		(400)	(9,406)
Repayment of loan receivables		361	206
Advances of exchangeable loan receivables		–	(25,000)
Repayment of exchangeable loan receivables		14,500	5,000
Settlement of good faith deposit		–	10,000
Acquisition of subsidiaries	29	(10,548)	–
Disposal of subsidiaries	30	(763)	–
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Net cash from/(used in) investing activities		3,823	(32,572)
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of convertible bonds/notes		50,000	4,232
Issue of shares net of expenses		72,239	77,031
Repayment of obligations under finance leases		(2,652)	(5,729)
(Repayment to)/Advances from related companies		(5,005)	4,473
Redemption on bonds		(5,460)	(36,223)
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Net cash from financing activities		109,122	43,784
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		67,158	(7,311)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
		<hr/> 4,236	<hr/> 11,547
CASH AND CASH EQUIVALENTS AT END OF YEAR, REPRESENTED BY BANK BALANCES AND CASH			
		<hr/> <hr/> 71,394	<hr/> <hr/> 4,236

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