

CONSOLIDATED CASH FLOW STATEMENT

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Year ended 31 March 2004

	Notes	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		(35,835)	53,643
Adjustments for:			
Share of loss of an associate		1,727	635
Depreciation	6	11,805	7,904
Amortisation of intangible assets	6	9,933	8,799
Impairment of intangible assets	6	59,981	—
Amortisation of goodwill	6	2,838	366
Impairment of goodwill	6	8,906	—
Provision for bad and doubtful debts	6	4,635	9,797
Loss on disposal of fixed assets	6	261	790
Gain on disposal of intangible assets	6	(3,158)	(1,508)
Gain on disposal of subsidiaries	6	—	(1,897)
Gain on partial disposal of a subsidiary	6	(20,760)	(16,373)
Interest income	6	(749)	(1,231)
Finance costs	7	2,375	3,078
Operating profit before working capital changes		41,959	64,003
Decrease in inventories		1,970	143
Decrease/(increase) in accounts receivable		35,769	(28,926)
Increase in prepayments, deposits and other receivables		(24,004)	(11,041)
Increase/(decrease) in accounts and bills payable, and accrued liabilities and other payables		8,835	(5,980)
Cash generated from operations		64,529	18,199
Interest received		438	587
Interest paid		(2,375)	(3,078)
Hong Kong profits tax paid		—	(323)
Overseas taxes paid		(4,982)	(2,583)
Net cash inflow from operating activities		57,610	12,802

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Year ended 31 March 2004

	Notes	2004 HK\$'000	2003 HK\$'000
Net cash flows from operating activities		57,610	12,802
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets	12	(4,460)	(6,651)
Increase in intangible assets	13	(21,698)	–
Proceeds from disposal of fixed assets		38	95
Proceeds from disposal of intangible assets		3,763	1,766
Decrease/(increase) in pledged bank deposits		1,033	(4,655)
Increase in interest in a subsidiary		(12,281)	–
Acquisition of subsidiaries	32(a)	–	16,530
Proceeds from disposal of subsidiaries	32(b)	–	12,243
Proceeds from partial disposal of a subsidiary	15	23,000	20,000
Decrease/(increase) in an amount due from a related company		(948)	8,796
Increase in deposits paid		(6,689)	(26,755)
Net cash inflow/(outflow) from investing activities		(18,242)	21,369
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in trust receipt loans		(4,584)	(544)
New bank loans		31,901	31,605
Repayment of bank loans		(37,735)	(9,434)
Repayment of promissory notes		(15,000)	(67,500)
Repayment of amounts due to ex-minority equity holders		–	(10,301)
Dividends paid to minority equity holders		(1,563)	(5,534)
Proceeds from issue of new shares	29	–	54,000
Share issue expenses	29	–	(1,542)
Net cash outflow from financing activities		(26,981)	(9,250)
NET INCREASE IN CASH AND CASH EQUIVALENTS		12,387	24,921
Cash and cash equivalents at beginning of year		58,247	33,326
CASH AND CASH EQUIVALENTS AT END OF YEAR		70,634	58,247
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		70,634	56,045
Time deposits with original maturity of less than three months when acquired pledged as security for bank overdraft facilities		–	9,275
Bank overdrafts	26	–	(7,073)
		70,634	58,247