

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2004

	Notes	2004 HK\$'000	2003 HK\$'000
Profit/(Loss) before tax		32,956	(191,611)
Adjustments for:			
Amortisation of intangible asset		–	36
Depreciation		569	345
Provision for bad debts		–	72,954
Written-off of intangible assets		–	2,854
Impairment loss in value of interest in subsidiaries		–	49,435
Written-off of amounts due from subsidiaries		–	58,797
Impairment loss of goodwill		–	1,579
Interest expense		3,549	2,237
Interest received		(562)	(354)
Reversal of net liabilities of discontinued operation previously consolidated		(39,297)	–
Operating loss before working capital changes		(2,785)	(3,728)
Decrease in inventories		789	862
Decrease/(Increase) in trade receivables, prepayments, deposits and other receivables		7,558	(3,575)
Decrease in trade payables		(61,450)	(16,586)
(Decrease)/Increase in other payables and accruals		(1,564)	4,209
Increase in amount due to a shareholder		2,423	–
Cash generated used in operations		(55,029)	(18,818)
Interest paid		(3,549)	(2,237)
Profits tax paid		(29)	–
NET CASH FLOWS FROM OPERATING ACTIVITIES		(58,607)	(21,055)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiary, net of cash acquired		–	18,331
Purchase of property, plant and equipment (<i>Note A</i>)		(692)	(2,896)
Impairment loss in value of subsidiaries		–	(397)
Effect on discontinued operation of a subsidiary, net of cash and cash equivalents	5	55,953	–
Interest received		562	354
Net cash inflow from investing activities		55,823	15,392

The notes on pages 25 to 42 form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

YEAR ENDED 31 MARCH 2004

<i>Notes</i>	2004 HK\$'000	2003 <i>HK\$'000</i>
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CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issue of share capital	—	5,415
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NET CASH INFLOW FROM FINANCING ACTIVITIES	—	5,415
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NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,784)	(248)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,785	2,033
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CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE B)	(999)	1,785
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