

# Consolidated Cash Flow Statement

For the year ended 31 March 2005

	NOTES	2005 HK\$'000	2004 HK\$'000
<b>OPERATING ACTIVITIES</b>			
Loss from operations		<b>(41,143)</b>	(27,869)
Adjustments for:			
Depreciation and amortisation of property, plant and equipment		<b>10,208</b>	7,660
Impairment loss recognised in respect of goodwill		<b>26,337</b>	–
Amortisation of goodwill		–	13,504
Amortisation of trademarks		<b>92</b>	81
Interest income		<b>(202)</b>	(24)
Loss (gain) on disposal of property, plant and equipment		<b>84</b>	(42)
Revaluation gain on revaluation of investment properties		<b>(4,226)</b>	–
Allowance for bad and doubtful debts		<b>5,574</b>	–
Decrease in deferred franchise income		<b>(328)</b>	(56)
Operating cash flows before movements in working capital		<b>(3,604)</b>	(6,746)
Increase in inventories		<b>(27,972)</b>	(9,457)
Increase in trade and other receivables		<b>(37,744)</b>	(24,784)
Increase in amounts due from associates		<b>(8,077)</b>	(9,128)
Increase in trade and other payables		<b>24,752</b>	19,230
Cash used in operation		<b>(52,645)</b>	(30,885)
Hong Kong Profits Tax paid		<b>(3,782)</b>	(1,818)
Overseas taxation paid		<b>(59)</b>	–
Interest received		<b>202</b>	24
<b>NET CASH USED IN OPERATING ACTIVITIES</b>		<b>(56,284)</b>	(32,679)

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For the year ended 31 March 2005

	NOTES	2005 HK\$'000	2004 HK\$'000
INVESTING ACTIVITIES			
Acquisition of subsidiaries	32	(142,917)	1,103
Purchase of property, plant and equipment		(39,752)	(10,068)
Purchase of investment properties		(36,974)	–
Investment in an associate		(1,125)	(2,417)
Purchase of trademark		(38)	(370)
Proceeds from disposal of property, plant and equipment		1,286	410
Dividend income from associates		305	12
Disposal of subsidiaries	33	–	(2,510)
Repayment of loan receivables		–	937
NET CASH USED IN INVESTING ACTIVITIES		(219,215)	(12,903)
FINANCING ACTIVITIES			
Proceeds from issue of new shares, net of expenses		290,013	154,049
Bank borrowings raised (repaid)		66,392	(30,841)
Redemption of convertible notes		(56,500)	(13,000)
Repayment of loans from a shareholder		(7,000)	(98,168)
Interest paid		(2,125)	(7,786)
Repayments of obligations under finance leases		(170)	(484)
Dividend paid to minority shareholders		(21)	(12)
Trust receipt loans raised		–	31,896
Loans from a shareholder		–	16,000
NET CASH FROM FINANCING ACTIVITIES		290,589	51,654
INCREASE IN CASH AND CASH EQUIVALENTS		15,090	6,072
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		27,580	21,508
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		432	–
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		43,102	27,580
Represented by:			
Bank balances and cash		43,545	32,580
Bank overdrafts		(443)	(5,000)
		43,102	27,580