

# CONSOLIDATED CASH FLOW STATEMENT

Period from 1 October 2001 to 31 December 2002

	Notes	Period from 1 October 2001 to 31 December 2002 HK\$'000	Year ended 30 September 2001 HK\$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Adjustments for:			
Profit/(loss) before tax		99,693	(44,953)
Interest income		(365)	(212)
Finance costs		3,093	5,252
Net gain attributable to the Group Restructuring		(119,472)	-
Depreciation		3,808	3,271
Amortisation of goodwill		1,100	-
Amortisation of deferred development costs		99	4,355
Bad and doubtful debt provisions on trade receivables		380	-
Loss on disposal of fixed assets		116	217
Write off of fixed assets		1,007	-
Impairment of fixed assets		9,985	-
Operating loss before working capital changes		(556)	(32,070)
Decrease in inventories		1,445	35,423
Decrease in trade receivables, prepayments, deposits and other receivables		630	15,984
Increase/(decrease) in trade and bills payables, other payables and accruals		5,700	(24,627)
Cash generated from/(used in) operations		7,219	(5,290)
Interest received		365	212
Interest paid		-	(892)
Interest element on finance lease rental payments		(31)	(3)
Hong Kong profits tax paid		(754)	-
Net cash inflow/(outflow) from operating activities		6,799	(5,973)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed assets		(2,563)	(146)
Proceeds from disposal of fixed assets		61	45,637
Additions to intangible assets		(172)	(3,817)
Acquisition of subsidiaries	36(d)	15,026	-
Disposal of subsidiaries and discharge of secured and unsecured financial obligations upon the Group Restructuring	36(e)	(12,870)	-
Increase in pledged time deposits		(5,043)	-
Net cash inflow/(outflow) from investing activities		(5,561)	41,674

## CONSOLIDATED CASH FLOW STATEMENT (continued)

Period from 1 October 2001 to 31 December 2002

	Period from 1 October 2001 to 31 December 2002 HK\$'000	Year ended 30 September 2001 HK\$'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of new shares	40,000	-
Proceeds from placement of shares	17,800	-
Share issue expenses	(380)	-
Issue of new convertible notes	20,000	-
Repayment of convertible notes	(23,000)	-
New bank loan	-	4,680
Repayment of bank loans and other borrowings	-	(46,000)
Capital element of finance lease rental payments	-	(66)
Advances from associates	-	3,765
Net cash inflow/(outflow) from financing activities	54,420	(37,621)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	55,658	(1,920)
Cash and cash equivalents at beginning of period/year	7,275	9,195
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR</b>		
	62,933	7,275
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	27,718	7,275
Non-pledged time deposits with original maturity of less than three months when required	35,215	-
	62,933	7,275