

Consolidated Cash Flow Statement

For the year ended 30th April 2003

	<i>Notes</i>	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
OPERATING ACTIVITIES			
Operating profit/(loss) for the year after finance costs		685,684	(171,427)
Adjustments for:			
Interest income		(2)	(175)
Finance costs		32,405	74,330
Impairment loss recognised in respect of goodwill arising on the acquisition of a subsidiary		–	111
Gain on deconsolidation and disposal of subsidiaries	<i>31(a)</i>	(132,780)	–
Waiver of indebtedness	<i>31(b)</i>	(676,062)	–
(Overprovision)/provision for accounts receivable		(2,110)	865
Provision for impairment losses on interests in associates		–	4,450
Provision for impairment loss on other asset		550	–
Loss on changes in fair values of short term listed investments		22,838	62,705
Provision for impairment losses on jointly controlled entities		50,000	–
Gain on disposal of fixed assets		(72)	(640)
Depreciation		13	161
		<hr/>	<hr/>
OPERATING LOSS BEFORE CHANGES IN WORKING CAPITAL		(19,536)	(29,620)
(Increase)/decrease in short term listed investments		(20,322)	20,329
(Increase)/decrease in debtors and other receivables		(3,385)	12,922
Decrease in prepayments and deposits		17	680
Increase/(decrease) in temporary deposits, accounts payable and accruals		2,057	(1,416)
Increase in amounts due to directors		36	3,232
Exchange translation differences		117	(46)
		<hr/>	<hr/>
CASH (USED IN)/GENERATED FROM OPERATIONS		(41,016)	6,081
Overseas tax paid		(99)	(129)
Hong Kong Profits Tax		(6)	–
		<hr/>	<hr/>
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES		(41,121)	5,952
		<hr/>	<hr/>
INVESTING ACTIVITIES			
Interest received		2	346
Net inflow of cash and cash equivalents in respect of the purchase of a subsidiary	<i>31(c)</i>	–	20
Net cash outflow of cash and cash equivalents in respect of deconsolidation and disposal of subsidiaries	<i>31(a)</i>	(452)	–
Proceeds on disposal of fixed assets		1,025	715
Purchase of fixed assets		(51)	(87)
Decrease in pledged bank deposit		218	2,552
Increase in net amounts due from jointly controlled entities		(9,946)	(2,353)
Decrease in net amounts due from associates		–	188
		<hr/>	<hr/>
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES		(9,204)	1,381
		<hr/>	<hr/>

Consolidated Cash Flow Statement *(Continued)*

For the year ended 30th April 2003

	2003 HK\$'000	2002 HK\$'000
FINANCING ACTIVITIES		
Interest paid	–	(17,464)
Dividends paid	–	(380)
Partial settlement of dividend paid in full discharge of dividend payable	(29)	–
Repayment of bank and other loans	(10,954)	(27,356)
Repayment of promissory notes	(16,265)	–
Proceeds from issue of convertible notes	20,000	–
Proceeds on issue of shares	57,600	36,100
Share issue expenses	–	(5)
Redemption of preference shares	–	(10)
	<u>50,352</u>	<u>(9,115)</u>
NET CASH GENERATED FROM/(USED IN) FINANCING		
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	27	(1,782)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	(22,106)	(20,324)
DISCHARGE OF BANK OVERDRAFTS UNDER THE SCHEMES OF ARRANGEMENT	<u>23,644</u>	<u>–</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u><u>1,565</u></u>	<u><u>(22,106)</u></u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as previously reported		(59,484)
Effect of reclassification of short term bank loans		<u>37,378</u>
		<u><u>(22,106)</u></u>
Being:		
Cash and bank balances	1,565	1,538
Bank overdrafts	<u>–</u>	<u>(23,644)</u>
	<u><u>1,565</u></u>	<u><u>(22,106)</u></u>