

CONSOLIDATED CASH FLOW STATEMENT

Year ended 30th June 2003

	<i>Notes</i>	2003 HK\$'000	2002 HK\$'000
Operating activities			
Loss before taxation		(164,883)	(191,049)
Adjustment for:-			
Interest income		(4,344)	(7,622)
Dividend income		(342)	(1)
Depreciation		3,395	3,832
Bad debts written off		47,207	-
Loss on disposal of property, plant and equipment		3,933	587
Amortization of intangible assets		1,500	2,000
Impairment loss of goodwill previously dealt with in reserve		10,298	89,958
Interest expenses		713	389
Loss on disposal of investment securities		14,184	10,689
Loss on disposal of other investments		-	1,819
Impairment loss on investment securities		25,000	20,300
Share of results of associates		-	5
Unrealised loss on other investments		-	9,844
Unrealised gain on investment securities		(1,286)	-
Allowance for short-term loan receivable		17,000	19,657
Allowance for deposit made for acquisition of an investment security		-	10,000
Allowance for trade and other receivables		6,729	7,233
Allowance for amount due from an associate		-	1,271
Operating loss before charges in working capital		(40,896)	(21,088)
Increase in inventory		(191)	-
Increase in trade and other receivables		(14,203)	(21,498)
(Decrease) Increase in trade and other payables		(6,457)	12,899
Cash used in operation		(61,747)	(29,687)
Tax paid		-	-
Net cash used in operating activities		(61,747)	(29,687)

CONSOLIDATED CASH FLOW STATEMENT

Year ended 30th June 2003

	<i>Notes</i>	2003 HK\$'000	2002 <i>HK\$'000</i>
Investing activities			
Decrease (Increase) on short-term loan receivable		40,618	(92,977)
Payment for purchase of investment securities		(43,860)	(41,471)
Payment for purchase of other investment		(2,700)	(22,133)
Acquisition of a subsidiary/deposit made for acquisition of a subsidiary	27	20,000	(20,000)
Decrease (Increase) in bank pledged deposits		17,486	(12,076)
Payment for purchase of property, plant and equipment		(243)	(3,397)
Decrease (Increase) in advance to an associate		226	(1,497)
Repayment to directors		–	(837)
Acquisition of associate		–	(5)
Proceeds on disposal of other investments		–	3,713
Proceeds on disposal of investment securities		12,185	2,240
Proceeds on disposal of property, plant and equipment		1,369	8
Interest received		4,344	7,622
Dividend received from investments in securities		342	1
Advances from director		100	–
Net cash generated from (used in) investing activities		49,867	(180,809)
Financing			
Proceeds from issue of shares		6,897	108,684
Expenses incurred in connection with the issue of shares		(202)	(4,383)
New bank loan raised		–	4,500
Repayment of bank loan		(3,563)	(937)
Repayment of obligation under finance lease		(35)	(30)
Other borrowing cost paid		(706)	(383)
Interest paid on obligation under finance leases		(7)	(6)
Contribution from a minority shareholder		459	–
Net cash from financing activities		2,843	107,445
DECREASE IN CASH AND CASH EQUIVALENTS		(9,037)	(103,051)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		11,855	114,906
EFFECT OF FOREIGN EXCHANGE RATES CHANGES		(35)	–
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		2,783	11,855
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		2,783	12,284
Other loan with less than three months of maturity when arised		–	(429)
		2,783	11,855

The notes on pages 22 to 55 form an integral part of these financial statements.