

Consolidated Cash Flow Statement

For the year ended 30 June 2003

	NOTE	2003 HK\$'000	2002 HK\$'000
OPERATING ACTIVITIES			
(Loss) profit before taxation		(24,166)	125,032
Adjustments for:			
Interest income		(584)	(244)
Interest expenses		4	–
Impairment loss recognised in respect of investment securities		650	–
Depreciation		612	162
Amortisation of goodwill		10	–
Loss on disposal of investment securities		7,884	–
Gain arising from waiver of the creditors' indebtedness		–	(138,897)
Operating cash flows before movements in working capital		(15,590)	(13,947)
Decrease (increase) in prepayments and other receivables		7,719	(4,061)
Increase (decrease) in other payables and accrued charges		403	(8,966)
Cash used in operations		(7,468)	(26,974)
Interest paid		(4)	–
NET CASH USED IN OPERATING ACTIVITIES		(7,472)	(26,974)
INVESTING ACTIVITIES			
Interest received		584	244
Decrease (increase) in deposits		150,943	(150,943)
Acquisition of subsidiaries	21	(259,097)	–
Purchase of investment securities		(52,588)	(650)
Proceeds from disposal of investment securities		44,704	–
Purchases of property, plant and equipment		(1,190)	(928)
NET CASH USED IN INVESTING ACTIVITIES		(116,644)	(152,277)

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For the year ended 30 June 2003

	2003 HK\$'000	2002 HK\$'000
FINANCING ACTIVITIES		
Net proceeds from issue of shares	109,357	55,000
Exercise of warrants	–	165,000
Bank loan raised	15,617	–
Advance from a related company	13,212	–
Repayment of borrowings	–	(64,106)
NET CASH FROM FINANCING ACTIVITIES	138,186	155,894
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	14,070	(23,357)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6,677	29,877
EFFECT OF CHANGES IN EXCHANGE RATE	–	157
CASH AND CASH EQUIVALENTS AT END OF YEAR	20,747	6,677
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	20,747	6,677