

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2003

	Notes	2003 HK\$'000	2002 HK\$'000
Cash Flows from Operating Activities			
Loss before taxation		(104,571)	(106,211)
<i>Adjustment for:</i>			
Subscription right reserve release		(25,221)	–
Interest income		(216)	(236)
Interest expenses		6,331	5,790
Depreciation		8,985	9,683
Amortisation of development costs		636	318
Written off of development costs		3,291	–
Amortisation on goodwill		11	3,391
Amortisation of operating rights		453	–
Written off of operating rights		6,347	–
Loss on disposal of property, plant and equipment		330	234
Written off of property, plant and equipment		434	–
Loss on disposal of subsidiaries		–	2,032
Deficit arising on revaluation of leasehold properties		–	126
Deficit arising on revaluation of investment properties		6,500	2,557
Provision for doubtful debts		22,233	746
Deposit forfeited		4,100	–
Provision for obsolete inventories		31,991	–
Provision for impairment loss of			
– Investment in an associate		1,000	47,887
– Investments in securities		15,180	13,751
– Amount due from an investee company		–	171
Operating loss before working capital changes		(22,186)	(19,761)
Decrease/(increase) in inventories		4,171	(5,219)
Decrease/(increase) in trade and other receivables		32,928	(20,043)
(Decrease)/increase in trade and other payables		(33,281)	45,827
Cash (used in)/generated from operations		(18,368)	804
Hong Kong profits tax refunded		–	12
<i>Net cash (used in)/generated from operating activities</i>		(18,368)	816

CONSOLIDATED CASH FLOW STATEMENT (Continued) For the year ended 30 June 2003

	Notes	2003 HK\$'000	2002 HK\$'000
Cash Flows from Investing Activities			
Interest income received		116	236
Purchase of property, plant and equipment		(2,982)	(11,531)
Proceeds from disposal of property, plant and equipment		2,440	385
Acquisition of operating rights		(6,800)	–
Purchase of an associate		–	(56,170)
Purchase of investments in securities		(5,700)	(11,700)
Deposit for internet platform		(4,000)	–
Disposal of 49% interests and shareholder's loan in subsidiaries		–	40,571
Increase in pledged bank deposits		(1,214)	(8,646)
Development costs incurred		–	(4,245)
Disposal of a subsidiary (net of cash and cash equivalents disposed of)	32	–	(1,286)
<i>Net cash used in investing activities</i>		(18,140)	(52,386)
Cash Flows from Financing Activities			
Proceeds from issue of shares		32,150	2,774
Proceeds from issue of warrants		–	26,140
Proceeds from issue of convertible bonds		–	15,602
Advance from a shareholder		3,000	–
Net increase in secured short-term loan		7,117	–
Net increase in other secured borrowings		9,423	–
Net decrease in trust receipts and import loans		(4,194)	(2,656)
Net decrease in amount due to a related company		(2,157)	–
Repayment of other borrowings		–	(1,000)
Issue costs of shares		(1,445)	–
Expenses paid in connection with the issue of warrants		–	(871)
Issue costs of convertible bonds		–	(780)
Repayment of term loans		(1,806)	(1,606)
Repayment of obligations under finance leases		(1,632)	(1,340)
Interest expenses paid		(4,657)	(4,248)
Interest on obligations under finance leases		(198)	(191)
<i>Net cash generated from financing activities</i>		35,601	31,824
Net Decrease in Cash and Cash Equivalents		(907)	(19,746)
Cash and Cash Equivalents at the beginning of the year		3,546	23,292
Cash and Cash Equivalents at the end of the year		2,639	3,546
Analysis of the Balances of Cash and Cash Equivalents			
Time deposits, bank balances and cash		2,639	4,523
Bank overdrafts		–	(977)
		2,639	3,546

The accompanying notes form an integral part of these financial statements.