

Consolidated Cash Flow Statement

Year ended 31 July 2003

	Notes	2003 HK\$'000	2002 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(333,068)	(451,721)
Adjustments for:			
Finance costs	7	1,950	3,408
Share of profit/(loss) of a jointly-controlled entity		(390)	801
Impairment of goodwill	16	22,600	–
Impairment of leasehold land and buildings	6	–	3,687
Provision for impairment of long term investments transferred from the investment revaluation reserve	6	129,832	242,809
Provision for obsolete and slow-moving inventories	6	–	16,283
Provision for bad and doubtful debts	6	2	1,084
Interest income	5	(4,580)	(5,146)
Depreciation	6	19,702	26,667
Amortisation of goodwill	16	1,665	269
Loss on disposal of fixed assets	6	2	1,748
Write-off of fixed assets	6	4,057	–
Loss on disposal of subsidiaries	6	105,067	41,466
Loss on disposal of long term investments	6	513	29,781
Loss on disposal of short term investments	6	7,153	7,886
Unrealised loss on short term investments	6	38,074	41,314
Gain on redemption of a convertible note	5	–	(1,420)
Operating loss before working capital changes		(7,421)	(41,084)
(Increase)/decrease in an amount due from a jointly-controlled entity		500	(500)
(Increase)/decrease in inventories		(14,886)	33,134
Decrease in trade receivables		5,666	8,841
Increase in prepayments, deposits and other receivables		(9,727)	(3,685)
Increase/(decrease) in trade payables		4,313	(18,777)
Increase in other payables and accruals		27,455	1,580
Increase in short term investments		(48,642)	(133,498)
Exchange difference		(63)	–
Cash used in operations		(42,805)	(153,989)
Hong Kong profits tax paid		(1,501)	(615)
Net cash outflow from operating activities – page 21		(44,306)	(154,604)

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Year ended 31 July 2003

	Notes	2003 HK\$'000	2002 HK\$'000 (Restated)
Net cash outflow from operating activities – page 20		(44,306)	(154,604)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		4,580	5,146
Purchases of fixed assets		(8,139)	(15,110)
Proceeds from disposal of fixed assets		180	4,758
Acquisition of long term investments		(106,471)	(112,120)
Proceeds from disposal of long term investments		3,021	31,292
Acquisition of a jointly-controlled entity		–	(89,281)
Disposal of subsidiaries	30(b)	(14,103)	2,820
Decrease in pledged deposits		28,158	49,842
Increase in loan receivables		(16,094)	–
Net cash outflow from investing activities		(108,868)	(122,653)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(1,950)	(3,399)
Interest element on finance lease payments		–	(9)
Proceeds from issue of shares		40,663	271,728
Proceeds from issue of warrants		–	25,600
Redemption of a convertible note		–	(92,000)
Advances from/(to) minority interests		(202)	169
Share issue expenses		–	(3,608)
Warrant issue expenses		–	(259)
Capital element of finance lease payments		–	(503)
Repayments of bank loans		(890)	(9,284)
Increase/(decrease) in trust receipts loans		11,106	(47,567)
Net cash inflow from financing activities		48,727	140,868
NET DECREASE IN CASH AND CASH EQUIVALENTS		(104,447)	(136,389)
Cash and cash equivalents at beginning of year		185,771	322,160
CASH AND CASH EQUIVALENTS AT END OF YEAR		81,324	185,771
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	22	81,324	95,240
Non-pledged time deposits with original maturity of less than three months when acquired	22	–	90,531
		81,324	185,771