

Consolidated Cash Flow Statement

For the year ended 30 April 2004

	Notes	2004 HK\$'000	2003 HK\$'000 (Restated)
Loss before taxation		(14,665)	(24,020)
Adjustments for:			
Depreciation		1,032	2,060
Amortisation of goodwill arising on acquisition of subsidiaries		2,574	7,722
Interest expenses		719	569
Interest income		(4,479)	(579)
Allowance for bad and doubtful debts		30	4,500
Allowance for slow moving inventories		–	6,197
Loss on disposal of property, plant and equipment		–	895
Gain on disposal of subsidiaries		(69,149)	(30,895)
Loss on disposal of an associate		8,502	–
Share of results of associates		65,024	25,327
Waiver of other payables		–	(7,202)
Operating cash flows before movements in working capital		(10,412)	(15,426)
Increase in properties under development		(3,748)	–
Increase in inventories		–	(6,000)
(Increase) decrease in trade and other receivables		(9,549)	2,695
(Decrease) increase in other payables		(26,401)	403
Cash used in operations		(50,110)	(18,328)
Overseas tax paid		(2)	–
NET CASH USED IN OPERATING ACTIVITIES		(50,112)	(18,328)
INVESTING ACTIVITIES			
Disposal of subsidiaries	28	130,611	9,847
Deposit received on disposal of a subsidiary		122,642	3,600
Proceeds from disposal of an associate		18,000	–
Acquisition of subsidiaries	27	16,945	–
Interest received		54	579
Advance to an associate		(196,302)	–
Increase in loan receivables	19(b)	(44,716)	–
Acquisition of associates		(12,096)	–
Purchase for property, plant and equipment		(474)	(1,477)
Proceeds from disposals of property, plant and equipment		–	1,336
Payment for deposits for properties		–	(11)
Advance to a third party		–	(23,000)
NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES		34,664	(9,126)

Consolidated Cash Flow Statement (continued)

For the year ended 30 April 2004

	2004 HK\$'000	2003 HK\$'000 (Restated)
FINANCING ACTIVITIES		
Proceeds from issue of shares, net of share issue expenses	29,038	–
Capital contribution from minority shareholders	942	48
(Repayment) advance from a shareholder	(2,890)	2,890
Interest paid	(719)	(569)
New bank loans raised	–	23,585
NET CASH GENERATED FROM FINANCING ACTIVITIES	26,371	25,954
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	10,923	(1,500)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	1,177	2,677
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	70	–
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, representing bank balances and cash	12,170	1,177