

Consolidated Cash Flow Statement

For the year ended 30 June 2004

	2004 HK\$'000	2003 HK\$'000
Cashflows from operating activities		
Profit/(Loss) before taxation	49,266	(104,571)
Adjustment for:		
Subscription right reserve release	-	(25,221)
Reversal of revaluation decrease in disposal of investment properties	(6,500)	-
Gain on disposal of subsidiaries	(80,034)	-
Interest income	(24)	(216)
Interest expenses	3,847	6,331
Depreciation	749	8,985
Amortisation of development costs	-	636
Written off of development costs	-	3,291
Amortisation on goodwill	11	11
Amortisation of operating rights	-	453
Written off of operating rights	-	6,347
Loss on disposal of property, plant and equipment	-	330
Written off of property, plant and equipment	-	434
Deficit arising on revaluation of investment properties	-	6,500
Provision for doubtful debts	14,646	22,233
Deposit forfeited	-	4,100
Provision for obsolete inventories	7,444	31,991
Provision for impairment loss of		
- Investment in an associate	-	1,000
- Investments in securities	-	15,180
Operating loss before working capital changes	(10,595)	(22,186)
(Increase)/decrease in inventories	(7,444)	4,171
(Increase)/decrease in trade and other receivables	(19,742)	32,928
Increase/(decrease) in trade and other payables	3,498	(33,281)
Net cash used in operations	(34,283)	(18,368)

Consolidated Cash Flow Statement

For the year ended 30 June 2004 (Continued)

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	2004 HK\$'000	2003 HK\$'000
Cashflows from investing activities		
Interest income received	24	116
Purchase of property, plant and equipment	(507)	(2,982)
Proceeds from disposal of property, plant and equipment	-	2,440
Proceeds from disposal of investment property	34,500	-
Acquisition of operating rights	-	(6,800)
Payment of investment deposits	(16,100)	-
Purchase of investments in securities	-	(5,700)
Deposit for internet platform	-	(4,000)
Increase in pledged bank deposits	-	(1,214)
Disposal of subsidiaries (net of cash and cash equivalents disposed of)	(2,193)	-
Net cash generated from/(used in) investing activities	15,724	(18,140)
Cashflows from financing activities		
Proceeds from issue of shares	16,300	32,150
Proceeds from issue of convertible bonds	16,000	-
Increase in short-term borrowings	8,560	-
(Repayment to)/advance from a shareholder	(3,136)	3,000
Repayment of convertible bonds	(15,602)	-
Net (decrease)/increase in secured short-term loan	(1,761)	7,117
Net increase in other secured borrowings	-	9,423
Net increase/(decrease) in trust receipts and import loans	1,442	(4,194)
Net decrease in amount due to a related company	-	(2,157)
Issue costs of shares	(76)	(1,445)
Issue costs of convertible bonds	(129)	-
Repayment of term loans	-	(1,806)
Repayment of obligations under finance leases	(193)	(1,632)
Interest expenses paid	(3,485)	(4,657)
Interest on obligations under finance leases	(58)	(198)
Net cash generated from financing activities	17,862	35,601
Net decrease in cash and cash equivalents	(697)	(907)
Cash and cash equivalents at the beginning of the year	2,639	3,546
Cash and cash equivalents at the end of the year	1,942	2,639
Analysis of the balances of cash and cash equivalents		
Time deposits, bank balances and cash	1,942	2,639

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