

Consolidated Cash Flow Statement

For the year ended 30th June, 2004

	Notes	2004 HK\$'000	2003 HK\$'000
OPERATING ACTIVITIES			
Loss before taxation		(35,787)	(60,957)
Adjustments for:			
Interest income		(7)	(90)
Interest expenses		854	643
Finance lease charges		-	7
Depreciation and amortisation of property, plant and equipment		1,920	2,610
Amortisation on intangible asset		813	-
Gain on disposal of property, plant and equipment		-	(351)
Gain on disposal of investment properties		(592)	-
Deficit on revaluation of investment properties		-	60
Impairment loss recognised in respect of goodwill		-	11,000
Impairment loss recognised in respect of investment in securities		3,420	-
Loss on disposal of subsidiaries		10	-
Loss attributable to investments		2,746	332
Loss on disposal of discontinuing operations		-	14,411
Operating cash outflow before movements in working capital		(26,623)	(32,335)
Decrease in inventories		-	2,298
(Increase) decrease in debtors, deposits and prepayments		(2,107)	23,631
Decrease in creditors and accrued charges		(1,685)	(3,622)
Cash used in operating activities		(30,415)	(10,028)
Interest paid		(854)	(643)
Finance lease charge paid		-	(7)
Interest received		7	90
NET CASH USED IN OPERATING ACTIVITIES		(31,262)	(10,588)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(281)	(1,200)
Proceeds from disposal of subsidiaries (net of cash and cash equivalents disposed of)	28	(1)	(696)
Proceeds from disposal of an associate		2	1,185
Proceeds from disposal of property, plant and equipment		-	459
Proceeds from disposal of investment properties		1,202	-
NET CASH FROM (USED IN) INVESTING ACTIVITIES		922	(252)

Consolidated Cash Flow Statement (continued)

For the year ended 30th June, 2004

	Notes	2004 HK\$'000	2003 HK\$'000
FINANCING ACTIVITIES			
Issue of convertible notes for cash		-	10,000
Issue of shares for cash		34,800	3,103
Exercise of share options		12,767	1,069
Repayment of promissory note		(11,000)	(3,000)
NET CASH FROM FINANCING ACTIVITIES		36,567	11,172
INCREASE IN CASH AND CASH EQUIVALENTS		6,227	332
CASH AND CASH EQUIVALENTS AT			
BEGINNING OF THE YEAR		6,409	6,077
CASH AND CASH EQUIVALENTS AT END OF THE YEAR			
- REPRESENTING BANK BALANCES AND CASH		12,636	6,409