

Consolidated Cash Flow Statement

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Year ended 31 July 2004

	Notes	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(215,929)	(333,068)
Adjustments for:			
Finance costs	7	1,935	1,950
Share of loss/(profit) of a jointly-controlled entity		9,418	(390)
Impairment of leasehold land and buildings	6	628	–
Provision for impairment of long term investments transferred from the investment revaluation reserve	6	155,320	129,832
Provision for bad and doubtful debts	6	–	2
Interest income	5	(312)	(4,580)
Depreciation	6	3,454	19,702
Amortisation of goodwill	16	1,713	1,665
Impairment of goodwill	16	8,021	22,600
Loss/(gain) on disposal of fixed assets	5, 6	(351)	2
Write-off of fixed assets	6	–	4,057
Loss on disposal of subsidiaries	6	–	105,067
Loss/(gain) on disposal of long term investments	5, 6	(2,825)	513
Loss on disposal of short term investments	6	–	7,153
Unrealised loss on short term investments	6	2,850	38,074
Operating loss before working capital changes		(36,078)	(7,421)
Decrease in an amount due from a jointly-controlled entity		–	500
Increase in inventories		(16)	(14,886)
Decrease/(increase) in trade receivables		(1,604)	5,666
Decrease/(increase) in prepayments, deposits and other receivables		10,123	(9,727)
Increase in trade payables		1,649	4,313
Increase/(decrease) in other payables and accruals		(8,786)	27,455
Decrease/(increase) in short term investments		68,850	(48,642)
Exchange difference		–	(63)
Cash generated from/(used in) operations		34,138	(42,805)
Hong Kong profits tax paid		(138)	(1,501)
Net cash inflow/(outflow) from operating activities – page 22		34,000	(44,306)

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Year ended 31 July 2004

	Note	2004 HK\$'000	2003 HK\$'000
Net cash inflow/(outflow) from operating activities – page 21		34,000	(44,306)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		312	4,580
Purchases of fixed assets		(6,053)	(8,139)
Proceeds from disposal of fixed assets		795	180
Acquisition of long term investments		(185,000)	(106,471)
Proceeds from disposal of long term investments		10,536	3,021
Disposal of subsidiaries	28	–	(14,103)
Decrease in pledged deposits		–	28,158
Decrease/(increase) in loan receivables		16,094	(16,094)
Net cash outflow from investing activities		(163,316)	(108,868)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(1,935)	(1,950)
Proceeds from issue of shares		32,861	40,663
Proceeds from issue of a convertible note		20,000	–
Advances to minority interests		–	(202)
Repayment of bank loans		–	(890)
Increase in trust receipts loans		–	11,106
Net cash inflow from financing activities		50,926	48,727
NET DECREASE IN CASH AND CASH EQUIVALENTS		(78,390)	(104,447)
Cash and cash equivalents at beginning of year		81,324	185,771
CASH AND CASH EQUIVALENTS AT END OF YEAR		2,934	81,324
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		2,934	81,324