

Consolidated Cash Flow Statement

For the year ended 30th June, 2004

	2004 HK\$'000	2003 HK\$'000 (As restated)
OPERATING ACTIVITIES		
Loss from operations	(112,646)	(116,057)
Adjustments for:		
Interest income	(1,308)	(4,344)
Dividend income	–	(342)
Depreciation	169	3,395
Bad debts written off	4,659	19,539
Loss on disposal of property, plant and equipment	1,117	3,933
Amortisation of intangible assets	–	1,500
Impairment loss of goodwill previously dealt with in reserve	–	10,299
Impairment on goodwill	–	18,912
(Gain) loss on disposal of investment securities	(234)	14,182
Impairment loss on investment securities	18,420	25,000
Unrealised holding loss (gain) on other investments	26,369	(17,956)
Reversal of impairment loss on investment securities	(1,014)	(3,350)
Allowance for short-term loans receivable	16,531	17,000
Allowance for trade and other receivables	30,069	6,729
Operating cash flows before movements in working capital	(17,868)	(21,560)
Decrease (increase) in inventories	191	(121)
Increase in trade and other receivables	(4,013)	(14,001)
(Increase) decrease on short-term loans receivable	(572)	40,618
Increase in other investments	(20,096)	(2,700)
Increase (decrease) in trade and other payables	14,284	(6,616)
Cash used in operations	(28,074)	(4,380)
Interest paid	(593)	(713)
NET CASH USED IN OPERATING ACTIVITIES	(28,667)	(5,093)

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For the year ended 30th June, 2004

	<i>Notes</i>	2004 HK\$'000	2003 HK\$'000 (As restated)
INVESTING ACTIVITIES			
Interest received		1,308	4,344
Proceeds from disposal of investment securities		400	12,185
Proceeds from disposal of property, plant and equipment		273	1,370
Decrease in bank pledged deposits		90	17,486
Proceeds from disposal of subsidiaries, net of cash and cash equivalents disposed of	25	52	-
Purchase of property, plant and equipment		(556)	(204)
Acquisition of subsidiaries	24	-	1,396
Dividend received from investments in securities		-	342
Advance to an associate		-	(200)
Advances from directors		-	100
Purchase of investment securities		-	(43,860)
NET CASH FROM (USED IN) INVESTING ACTIVITIES		1,567	(7,041)
FINANCING ACTIVITIES			
Proceeds from issue of shares		33,984	6,897
Repayment of other loan		(1,528)	-
Share issue expenses		(857)	(202)
Repayment to directors		(445)	-
Repayment of obligations under finance leases		(15)	(35)
Repayment of bank loan		-	(3,563)
NET CASH FROM FINANCING ACTIVITIES		31,139	3,097
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		4,039	(9,037)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		2,783	11,855
EFFECT OF FOREIGN EXCHANGE RATES CHANGES		-	(35)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash		6,822	2,783