

Consolidated Cash Flow Statement

For the year ended 30th June, 2005

<i>Notes</i>	2005 HK\$'000	2004 HK\$'000
OPERATING ACTIVITIES		
Loss from operations	(46,974)	(112,646)
Adjustments for:		
Interest income	(2,394)	(1,308)
Dividend income	(53)	–
Depreciation	260	169
Bad debts written off	–	4,659
Loss on disposal of property, plant and equipment	–	1,117
Gain on disposal of investment securities	–	(234)
Impairment loss on investment securities	723	18,420
Unrealised holding loss on other investments	22,037	26,369
Reversal of impairment loss on investment securities	–	(1,014)
Allowance for short-term loans receivable	6,124	16,531
Allowance for trade and other receivables	2,413	30,069
Operating cash flows before movements in working capital	(17,864)	(17,868)
(Increase) decrease in inventories	(21)	191
Increase in trade and other receivables	(3,053)	(4,013)
Decrease (increase) on short-term loans receivable	2,556	(572)
Decrease (increase) in other investments	31,466	(20,096)
(Decrease) increase in trade and other payables	(7,305)	14,284
Cash generated from (used in) operations	5,779	(28,074)
Interest paid	(587)	(593)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	5,192	(28,667)
INVESTING ACTIVITIES		
Interest received	2,394	1,308
Dividend received	53	–
Purchase of investment securities	(2,010)	–
Purchase of property, plant and equipment	(9)	(556)
Proceeds from disposal of investment securities	–	400
Proceeds from disposal of property, plant and equipment	–	273
Decrease in bank pledged deposits	–	90
Proceeds from disposal of subsidiaries, net of cash and cash equivalents disposed of	<i>22</i>	52
NET CASH FROM INVESTING ACTIVITIES	428	1,567

Consolidated Cash Flow Statement

For the year ended 30th June, 2005

	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i>
<hr/>		
FINANCING ACTIVITIES		
Repayment of obligations under finance leases	(3)	(15)
Proceeds from issue of shares	-	33,984
Repayment of other loan	-	(1,528)
Share issue expenses	-	(857)
Repayment to directors	-	(445)
<hr/>		
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(3)	31,139
<hr/>		
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,617	4,039
<hr/>		
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	6,822	2,783
<hr/>		
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	12,439	6,822
<hr/> <hr/>		