

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st July, 2003

		2003	2002
	Note	HK\$'000	HK\$'000
<b>OPERATING ACTIVITIES</b>			
Loss from operations		<b>(41,053)</b>	(98,434)
Adjustments for:			
Loss on disposal of properties held for sale	31	<b>74</b>	—
Impairment loss on goodwill arising on acquisition of subsidiaries		<b>—</b>	36,175
Amortisation of goodwill arising on acquisition of subsidiaries		<b>2,071</b>	4,089
Release of negative goodwill arising on acquisition of an associate		<b>(187)</b>	(93)
Interest income		<b>(1,684)</b>	(751)
Dividend income from listed trading securities		<b>—</b>	(174)
Depreciation		<b>890</b>	14
Allowance for bad and doubtful debts		<b>724</b>	—
Loss on disposal of other securities		<b>160</b>	—
Loss on disposal of property, plant and equipment		<b>176</b>	—
Loss on disposal of investment properties		<b>567</b>	—
Allowance for loan receivables		<b>11,003</b>	—
Impairment loss on other securities		<b>—</b>	21,174
Allowance for properties held for sale		<b>2,225</b>	29,627
Unrealised holding loss on trading securities		<b>3,635</b>	—
Deficit on revaluation of investment properties		<b>8,885</b>	7,610
Operating cash flows before movements in working capital		<b>(12,514)</b>	(763)
Decrease in properties held for sale		<b>5,091</b>	—
(Increase) decrease in trade and other receivables		<b>(3,827)</b>	118
Decrease in inventories		<b>5,287</b>	—
(Increase) decrease in trading securities		<b>(5,587)</b>	240
Increase (decrease) in trade and other payables		<b>866</b>	(3,842)
Cash used in operations		<b>(10,684)</b>	(4,247)
People's Republic of China, other than Hong Kong Income Tax paid		<b>(333)</b>	(8)
Dividend received from listed trading securities		<b>—</b>	174
<b>NET CASH USED IN OPERATING ACTIVITIES</b>		<b>(11,017)</b>	(4,081)

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For the year ended 31st July, 2003

		2003	2002
	Notes	HK\$'000	HK\$'000
INVESTING ACTIVITIES			
Net cash inflow from disposal of interests in subsidiaries	30	7,885	—
Proceeds from disposal of property, plant and equipment		519	—
Interest received		1,684	751
Proceeds from disposal of investment properties		363	—
Proceeds from disposal of other securities		40	—
Increase in loan receivables		(10,003)	(1,000)
Purchase of other securities		(200)	—
Purchase of property, plant and equipment		(29)	(700)
Repayment of balance of consideration payable on acquisition of an associate		—	(12,000)
Proceeds from repayment of promissory note receivables		—	12,000
Proceeds from disposal of investee company		—	12,000
Acquisition of subsidiaries	29	—	525
NET CASH FROM INVESTING ACTIVITIES		259	11,576
FINANCING ACTIVITIES			
Proceeds from issue of shares		24,164	—
New bank loans obtained		15,665	3,000
Repayment of promissory note payables		(12,478)	—
Repayment of bank loans		(3,972)	(439)
Interest paid		(1,286)	(381)
Expenses paid in connection with the issue of shares		(350)	—
NET CASH FROM FINANCING ACTIVITIES		21,743	2,180
INCREASE IN CASH AND CASH EQUIVALENTS		10,985	9,675
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		9,862	187
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		<u>20,847</u>	<u>9,862</u>
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		21,106	9,862
Bank overdrafts		(259)	—
		<u>20,847</u>	<u>9,862</u>