

# Consolidated Cash Flow Statement

For the year ended 30th June, 2004

	2004 HK\$'000	2003 HK\$'000
<b>OPERATING ACTIVITIES</b>		
Profit (loss) before taxation	90,258	(220,803)
Adjustments for:		
Interest income	(644)	(3,348)
Finance costs	6,318	7,829
Dividend income	(272)	(17)
(Surplus) deficit on revaluation of investment properties	(78,012)	78,012
Depreciation and amortisation of property, plant and equipment	7,374	9,069
Loss (gain) on disposal of other investments	202	(3,159)
Loss on disposal of other securities	7,755	85
Amortisation of goodwill	110	220
Release of negative goodwill to income	(1,359)	(2,326)
Allowance for trade and other receivables	745	17,613
Allowance for short-term loans receivable	–	23,990
Allowance for long-term receivable	–	1,180
Impairment loss recognised in respect of other investments	–	38,968
Impairment loss recognised in respect of property, plant and equipment	6,000	18,986
Loss on disposal of property, plant and equipment	904	8
Gain on disposal of investment properties	(3,575)	–
Gain on disposal of subsidiaries/discontinued operations	(64,753)	–
Operating cash flows before movements in working capital	(28,949)	(33,693)
Increase in inventories	(47)	(1,606)
(Increase) decrease in trade and other receivables	(8,844)	1,969
Increase (decrease) in trade and other payables	41,866	(3,936)
Cash from (used in) operations	4,026	(37,266)
Hong Kong Profits Tax paid	(792)	–
<b>NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>	<b>3,234</b>	<b>(37,266)</b>

## ■ Consolidated Cash Flow Statement Cont'd

For the year ended 30th June, 2004

	Note	2004 HK\$'000	2003 HK\$'000
<b>INVESTING ACTIVITIES</b>			
Proceeds from disposal of other investments		23,448	5,499
Proceeds from disposal of subsidiaries (net of cash and cash equivalents disposed of)	38	14,856	–
Proceeds from disposal of investment properties		13,435	–
Proceeds from disposal of property, plant and equipment		11,283	10,548
Proceeds from disposal of other securities		8,181	25
Repayment of short-term loans receivable		7,246	5,598
Interest received		644	1,806
Dividends received		272	17
Purchase of property, plant and equipment		(13,216)	(2,496)
Purchase of other securities		(10,486)	–
Acquisition of additional interests in subsidiaries		(8,069)	–
Purchase of investment properties		(2,556)	–
(Increase) decrease in pledged bank deposits		(11)	1,483
Rebate from a vendor in respect of purchase of property, plant and equipment		–	284
Repayment of long-term receivable		–	240
Advance of short-term loans receivable		–	(13,095)
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>45,027</b>	<b>9,909</b>
<b>FINANCING ACTIVITIES</b>			
Repayment of bank and other borrowings		(79,877)	(36,575)
Repayment of obligations under finance leases		(9,806)	(7,204)
Interest paid		(5,582)	(6,962)
(Repayment to) advance from a director		(2,214)	2,214
Repayment of convertible note		(780)	–
Finance charges paid in respect of obligations under finance leases		(736)	(867)
(Repayment to) advance from a minority shareholder of a subsidiary		(352)	5,198
New bank and other borrowings raised		17,649	32,647
Proceeds from issue of shares on exercise of warrants		1	–
Proceeds on issuance of a convertible note		–	780
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(81,697)</b>	<b>(10,769)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(33,436)</b>	<b>(38,126)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>36,351</b>	<b>74,477</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		<b>2,915</b>	<b>36,351</b>

# Consolidated Cash Flow Statement Cont'd

For the year ended 30th June, 2004

	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Other time deposits	–	38,338
Bank balances and cash	4,755	6,589
Bank overdrafts	<u>(1,840)</u>	<u>(8,576)</u>
	<u><b>2,915</b></u>	<u><b>36,351</b></u>