

Consolidated Cash Flow Statement

For the year ended 30th June, 2004

| NOTE | 2004 HK\$'000 | 2003 HK\$'000 |
|--|------------------|------------------|
| OPERATING ACTIVITIES | | |
| Profit (loss) from operations | 9,128 | (32,753) |
| Adjustments for: | | |
| Depreciation and amortisation of property, plant and equipment | 577 | 1,235 |
| Revaluation increase of investment properties | (16,000) | (1,100) |
| Loss (gain) on disposal of property, plant and equipment | 8 | (22) |
| Allowance for bad and doubtful debts | 1,116 | 3,132 |
| Allowance for properties held for sale | - | 12,400 |
| Operating cash flows before movements in working capital | (5,171) | (17,108) |
| Decrease in inventories | 487 | 3,740 |
| Increase in trade and other receivables | (774) | (958) |
| Increase (decrease) in trade and other payables | 2,343 | (8,191) |
| Cash used in operations | (3,115) | (22,517) |
| Interest paid on bank and other borrowings | (5,034) | (12,099) |
| Interest on obligations under finance leases | (15) | (80) |
| NET CASH USED IN OPERATING ACTIVITIES | (8,164) | (34,696) |
| INVESTING ACTIVITIES | | |
| Repayment from an associate | 1,045 | - |
| Purchase of property, plant and equipment | (13) | (301) |
| Proceeds on disposal of a subsidiary | - | 4,077 |
| Proceeds on disposal of property, plant and equipment | - | 514 |
| NET CASH FROM INVESTING ACTIVITIES | 1,032 | 4,290 |

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For the year ended 30th June, 2004

| | 2004 <i>HK\$'000</i> | 2003 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| FINANCING ACTIVITIES | | |
| New bank and other borrowings raised | 50,444 | 67,152 |
| Repayment of bank and other borrowings | (40,726) | (35,704) |
| Repayment of obligations under finance leases | (189) | (828) |
| NET CASH FROM FINANCING ACTIVITIES | 9,529 | 30,620 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 2,397 | 214 |
| CASH AND CASH EQUIVALENTS AT 1ST JULY | (1,957) | (2,171) |
| CASH AND CASH EQUIVALENT AT 30TH JUNE | 440 | (1,957) |
| ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS | | |
| Bank balances and cash | 440 | 144 |
| Bank overdrafts | - | (2,101) |
| | 440 | (1,957) |