

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 30 JUNE 2003

		2003	2002
	Notes	HK\$'000	Restated HK\$'000
Cash flows from operating activities			
Loss from ordinary activities before taxation		(260,836)	(45,688)
Adjustments for:			
Depreciation	7	1,485	1,195
(Gain)/loss on disposal of other fixed assets	7	(17)	436
Deficit on revaluation of investment and hotel properties	17	123,860	–
Impairment losses on property under development	17	136,925	–
Impairment losses on other fixed assets	7	–	763
Negative goodwill recognised as income	19	(3,480)	–
Loss on disposal of subsidiaries		–	40,297
Impairment losses on non-trading securities		–	26,266
Interest income	6	(26,737)	(50,486)
Interest expenses	10	2,716	–
Net exchange loss		–	1,660
		<u> </u>	<u> </u>
Operating loss before working capital changes		(26,084)	(25,557)
Decrease in inventories		65	–
(Increase)/decrease in debtors, deposits and prepayments		(585,026)	37,242
Increase/(decrease) in creditors and accruals		860	(1,227)
		<u> </u>	<u> </u>
Cash (used in)/generated from operations		(610,185)	10,458
Hong Kong profits tax paid		–	(2,434)
PRC corporate income tax paid		(463)	–
		<u> </u>	<u> </u>
Net cash (outflow)/inflow from operating activities		<u> </u>	<u> </u>

Consolidated Cash Flow Statement *(Continued)*

FOR THE YEAR ENDED 30 JUNE 2003

		2003	2002
	Notes	HK\$'000	Restated HK\$'000
Net cash (outflow)/inflow from operating activities		<u>(610,648)</u>	<u>8,024</u>
Cash flows from investing activities			
Interest received		28,901	87,920
Purchases of fixed assets	17	(8,328)	(131)
Proceeds from disposal of other fixed assets		369	670
Acquisition of subsidiaries	29b	(761,375)	–
Disposal of subsidiaries	29c	101,684	565,927
Purchases of unlisted equity securities		–	(71,873)
Purchases of unlisted debt securities		–	(7,799)
Redemption of held-to-maturity debt securities		–	156,078
Decrease in bank deposits with original maturity period over three months when placed		–	1,267,390
Short term loan advanced	21g	<u>(283,500)</u>	<u>–</u>
Net cash (outflow)/inflow from investing activities		<u>(922,249)</u>	<u>1,998,182</u>
Cash flows from financing activities			
Interest paid		(2,716)	–
Drawdowns of purported loans	24	<u>614,250</u>	<u>–</u>
Net cash inflow from financing activities		<u>611,534</u>	<u>–</u>
Net (decrease)/increase in cash and cash equivalents		(921,363)	2,006,206
Cash and cash equivalents at beginning of year		2,242,554	238,008
Effect of foreign exchange rate changes, net		<u>–</u>	<u>(1,660)</u>
Cash and cash equivalents at end of year		<u><u>1,321,191</u></u>	<u><u>2,242,554</u></u>
Analysis of balances of cash and cash equivalents			
Cash and bank balances		125,646	2,636
Deposits with original maturity period within three months when placed		<u>1,195,545</u>	<u>2,239,918</u>
		<u><u>1,321,191</u></u>	<u><u>2,242,554</u></u>

The notes on pages 32 to 70 form part of these financial statements.