

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	(Unaudited)	
	Six months ended	
	31 December	
	2001	2000
	HK\$'000	HK\$'000
Net cash outflow from operating activities	(47,409)	(17,164)
Returns on investments and servicing of finance	774	5,012
Taxes paid	(164)	(468)
Investing activities	(5,343)	(30,719)
Net cash outflow before financing activities	(52,142)	(43,339)
Financing activities	(78)	—
Decrease in cash and cash equivalents	(52,220)	(43,339)
Cash and cash equivalents at beginning of period	99,059	81,926
Cash and cash equivalents at end of period	46,839	38,587
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Time deposits	17,485	11,196
Cash and bank balances	29,354	27,391
	46,839	38,587

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**1. SIGNIFICANT ACCOUNTING POLICIES****Basis of preparation**

The unaudited consolidated results have been prepared in accordance with Statement of Standard Accounting Practice ("SSAP") No. 25 "Interim financial reporting" issued by the Hong Kong Society of Accountants. The accounting policies and basis of preparation are the same as those used in the annual financial statements for the year ended 30 June 2001 except that the following new/revised SSAPs issued by the Hong Kong Society of Accountants have been adopted for the first time in the preparation of the current period's condensed consolidated financial statements:

SSAP 9 (revised):	Events after the Balance Sheet Date
SSAP 28:	Provisions, Contingent Liabilities and Contingent Assets
SSAP 29:	Intangible Assets
SSAP 30:	Business Combinations
SSAP 31:	Impairment of Assets
SSAP 32:	Consolidated Financial Statements and Accounting for Investments in Subsidiaries

With the exception of SSAP 29, SSAP 30 and SSAP 31, the adoption of the above standards has had no material effect on amounts reported in prior years.