

CONSOLIDATED CASH FLOW STATEMENT

For the eighteen months ended 31 December 2002

	Note	18-months ended 31 December 2002 HK\$'000	12-months ended 30 June 2001 HK\$'000
Operating activities			
Operating loss		(486,895)	(95,083)
Adjustments for:			
Interest income		(10,833)	(7,161)
Depreciation		13,969	9,865
Impairment of goodwill		264,263	—
Goodwill amortisation		20,550	3,084
Loss/(gain) on disposal of fixed assets		2,862	(427)
Loss on disposal of investments in non-trading securities		3,150	—
Net realised and unrealised losses on trading investments		4,802	785
Provision for impairment of non-trading securities		123,553	73,483
Deficit/(surplus) on revaluation of investment properties		18,052	(1,493)
Provision for loans receivable		6,515	16,240
Provision for doubtful debts		7,026	—
Gain on disposal of subsidiaries		(710)	(14,936)
Net exchange loss		11,719	—
Write back of provision for doubtful debts/loans receivable		(9,032)	—
Dividend income		(1,290)	(1,945)
Operating loss before changes in working capital		(32,299)	(17,588)
Decrease in statutory and other deposits		147	—
Decrease in inventories		1,900	4,593
Decrease/(increase) in accounts receivable		344,706	(120,017)
Increase in sundry debtors, prepayments and deposits		(36,977)	(5,096)
Decrease in trading investments		58,752	57,208
(Decrease)/increase in accounts payable		(158,766)	4,009
Decrease in options written		(63,611)	(50,015)
Increase in other payables and deposits received		11,464	19,148
Decrease in net amount due to a related company		(20,406)	(12,880)
(Decrease)/increase in amount due to an intermediate holding company		(31,300)	31,300
Cash generated from/(used in) operations		73,610	(89,338)
Interest received		10,144	7,242
Interest paid		(6,589)	(9,853)
Dividends received from non-trading securities		1,290	650
Dividends received from an associated company		15	950
Dividends paid to minority shareholders of subsidiaries		(2,283)	(923)
Tax paid			
Hong Kong profits tax paid		(6,481)	(20)
Overseas tax paid		(5,223)	(774)
Net cash from/(used in) operating activities		64,483	(92,066)

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For the eighteen months ended 31 December 2002

	Note	18-months ended 31 December 2002 HK\$'000	12-months ended 30 June 2001 HK\$'000
Investing activities			
Purchase of fixed assets		(10,102)	(5,092)
Proceeds from sale of fixed assets		2,593	678
Purchase of non-trading securities		(147,030)	(177,554)
Proceeds from sale of non-trading securities		52,556	—
Issuance of loans receivable		(20,120)	(21,297)
Repayment of loans receivable		20,567	—
Payment for purchase of subsidiaries, net of cash acquired	38(a) & (b)	(67,768)	(75,859)
Proceeds from disposal of subsidiaries, net of cash disposed of	38(a) & (b)	50,993	28,343
Cash and bank balances disposed of from disposal of subsidiaries	38(c)	(26,540)	—
Payment for acquisition of an associated company	15	(22,425)	—
Net cash used in investing activities		(167,276)	(250,781)
Financing activities			
Issue of ordinary shares		61,200	137,200
Share issue expenses		(2,336)	(1,608)
Issue of convertible notes		156,400	—
New short term loans		—	242,679
New loans from group companies in Japan (note 29, 30(b) and 30(c))		96,439	—
Issue of shares by a subsidiary to minority shareholders		—	500
Repayment of short term loans		(251,910)	—
Repayment of long term loans		(7,512)	(4,543)
Net cash from financing activities		52,281	374,228
Net (decrease)/increase in cash and cash equivalents		(50,512)	31,381
Effect of foreign exchange rate changes		338	(76)
Cash and cash equivalents at beginning of period		180,752	149,447
Cash and cash equivalents at end of period		130,578	180,752
Analysis of cash and cash equivalents:			
Time deposits, bank balances and cash in the balance sheet		135,578	185,752
Less: Pledged bank deposits		(5,000)	(5,000)
Cash and cash equivalents in the cash flow statement		130,578	180,752

Significant non-cash transactions are disclosed in note 38.