

# Consolidated Cash Flow Statement

For the year ended 31 March 2003

	Note	2003 HK\$	2002 HK\$
<b>OPERATING ACTIVITIES</b>			
Loss from ordinary activities before taxation		(71,253,559)	(26,444,777)
Adjustment for:			
Depreciation		4,165,522	202,683
Finance costs		4,304,045	4,249,901
Interest income		(101,403)	(230,909)
Gain on disposal of investment properties		(11,416,282)	–
Loss on disposal of other property, plant and equipment		44,339	–
Amortisation of positive goodwill		1,689,394	213,758
Provision for doubtful debts		43,132	–
Bad debts written off		8,763	–
Gain on dissolution/disposal of subsidiaries		(6,837,771)	(4,495,188)
Deficits on revaluation of hotel properties		4,902,497	–
Provision for permanent diminution in value of investment securities		70,315,760	20,000,000
<b>OPERATING LOSS BEFORE CHANGES IN WORKING CAPITAL</b>		<b>(4,135,563)</b>	<b>(6,504,532)</b>
Decrease in inventories		72,322	–
Increase in trade and other receivables		(6,015,089)	(991,221)
Increase/(decrease) in trade and other payables		18,738,191	(6,926,103)
<b>CASH GENERATED FROM/(USED IN) OPERATIONS</b>		<b>8,659,861</b>	<b>(14,421,856)</b>
Tax paid			
Hong Kong profits tax paid		(5,317,360)	–
<b>NET CASH FROM/(USED IN) OPERATING ACTIVITIES</b>		<b>3,342,501</b>	<b>(14,421,856)</b>
<b>INVESTING ACTIVITIES</b>			
Net cash (outflow)/inflow in respect of purchases of subsidiaries	31(b)	(26,958,235)	3,242
Proceeds from dissolution/disposal of subsidiaries, net of cash disposal of	31(d)	–	16,131,618
Proceeds from disposal of property, plant and equipment		65,401,409	1,200,000
Payments for purchase of property, plant and equipment		(365,558)	(25,880)
Payments for purchase of investment securities		(39,000)	–
Interest received		101,403	230,909
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>38,140,019</b>	<b>17,539,889</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from shares issued		–	(200,706)
Capital element of finance lease rentals paid		(126,630)	(56,891)
Decrease/(increase) in bank deposit pledged		6,371,940	(195,651)
(Decrease)/increase in amount due to a major shareholder		(33,233,093)	4,145,711
Interest element of finance lease rentals paid		(9,038)	(4,033)
Interest paid		(7)	(155,755)
<b>NET CASH (USED IN)/FROM FINANCING ACTIVITIES</b>		<b>(26,996,828)</b>	<b>3,532,675</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>14,485,692</b>	<b>6,650,708</b>
<b>CASH AND CASH EQUIVALENTS AT 1 APRIL</b>		<b>2,058,585</b>	<b>(4,592,123)</b>
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	22	<b>16,544,277</b>	<b>2,058,585</b>

The notes on pages 22 to 50 form an integral part of these financial statements.