



# Consolidated Cash Flow Statement

For the year ended 30th June, 2003

	<u>2003</u>	<u>2002</u>
	<i>HK\$</i>	<i>HK\$</i>
<b>OPERATING ACTIVITIES</b>		
Loss from operations	(160,590,128)	(28,532,237)
Adjustments for:		
Interest income	(3,309,803)	(1,533,519)
Dividend income	(1,417)	(402)
Deficit on revaluation of investment properties	67,397,828	–
Impairment loss recognised in respect of other investments	35,824,342	–
Impairment loss recognised in respect of property, plant and equipment	17,879,421	4,100,206
Depreciation of property, plant and equipment	4,536,419	6,018,689
Impairment loss recognised in respect of other securities	–	619,450
Allowance on trade and other receivables	3,891,189	477,691
Amortisation of goodwill	220,000	110,000
Inventories written off	170,000	1,200,000
Loss (gain) on disposal of property, plant and equipment	7,734	(30,000)
Allowance on short term loans receivable	23,990,357	3,065,000
Loss on disposal of investment properties	–	13,301,590
Operating cash flows before movements in working capital	(9,984,058)	(1,203,532)
Increase in amounts due from fellow subsidiaries	(8,325,874)	(21,782)
Decrease in trade and other payables	(3,676,894)	(2,386,220)
Decrease (increase) in trade and other receivables	281,931	(588,021)
Decrease in inventories	147,745	493,344
Cash used in operations	(21,557,150)	(3,706,211)
Hong Kong Profits Tax refunded	–	111,435
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>(21,557,150)</u>	<u>(3,594,776)</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	10,547,940	30,000
Repayment of short-term loans receivable	5,598,014	35,293,990
Interest received	1,767,442	1,232,519
Decrease in pledged time deposits	1,482,479	429,588
Dividend received	1,417	402
Advance of short-term loans receivable	(13,094,576)	(52,130,000)
Purchase of property, plant and equipment	(2,353,874)	(2,297,055)
Advances to ultimate holding company	(2,351,786)	–
Purchase of investment property	–	(61,822,104)
Purchase of other investments	–	(84,801)
Proceeds from disposal of investment properties	–	64,498,410
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>	<u>1,597,056</u>	<u>(14,849,051)</u>

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For the year ended 30th June, 2003

	<u>2003</u>	<u>2002</u>
	<i>HK\$</i>	<i>HK\$</i>
<b>FINANCING ACTIVITIES</b>		
Repayment of mortgage loans and other borrowings	(6,223,216)	(33,304,347)
Repayment of import loans	(4,078,258)	(793,225)
Bank interest paid	(2,880,524)	(3,727,948)
Repayment of obligations under finance leases	(2,155,243)	(225,016)
(Repayment to) advances from ultimate holding company	(1,389,869)	879,248
Interest paid on obligations under finance leases	(358,662)	(30,387)
Repayment of other loan	(157,163)	-
Increase in amount due to a director	2,214,139	-
Increase in amount due to a minority shareholder	600	-
Bank borrowings raised	-	75,400,000
Proceeds from issue of shares	-	41,948,056
Shares issue expenses	-	(1,582,687)
	<u>(15,028,196)</u>	<u>78,563,694</u>
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES</b>	<b>(15,028,196)</b>	<b>78,563,694</b>
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(34,988,290)</b>	<b>60,119,867</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>67,165,252</b>	<b>7,045,385</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b><u>32,176,962</u></b>	<b><u>67,165,252</u></b>
<b>ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalent as previously reported		56,810,099
Effect of reclassification of import loans		10,355,153
		<u>67,165,252</u>
Cash and cash equivalent as restated		<u>67,165,252</u>
Being:		
Time deposits	38,338,022	38,011,475
Bank balances and cash	619,315	31,811,748
Bank overdrafts	(6,780,375)	(2,657,971)
	<u>32,176,962</u>	<u>67,165,252</u>