

## Consolidated Cash Flow Statement

For the year ended 30th June, 2003

NOTES	2003 HK\$'000	2002 HK\$'000 (Restated)
<b>OPERATING ACTIVITIES</b>		
Loss from operations	<b>(32,753)</b>	(70,510)
Adjustments for:		
Depreciation and amortisation of property, plant and equipment	<b>1,235</b>	730
Impairment loss recognised in respect of leasehold land and buildings	–	806
Revaluation (increase) decrease of investment properties	<b>(1,100)</b>	12,500
(Gain) loss on disposal of property, plant and equipment	<b>(22)</b>	1,396
Foreign exchange loss	–	376
Interest income	–	(72)
Allowance for bad and doubtful debts	<b>3,132</b>	–
Allowance for properties held for sale	–	33,200
Allowance for properties held for sale	<b>12,400</b>	10
Operating cash flows before movements in working capital	<b>(17,108)</b>	(21,564)
Decrease (increase) in inventories	<b>3,740</b>	(4,527)
Increase in properties under development held for sale	–	(83,910)
Decrease in properties under development	–	83,910
Increase in amount due from an investee company	–	(4,715)
Increase in trade and other receivables	<b>(958)</b>	(2,502)
Increase in deposit received on disposal of properties under development held for sale	–	25,757
(Decrease) increase in trade and other payables	<b>(8,191)</b>	11,473
Increase in amount due from an associate	–	288
Cash (used in) generated from operations	<b>(22,517)</b>	4,210
Interest paid on bank and other borrowings	<b>(12,099)</b>	(5,506)
Interest on obligations under finance leases	<b>(80)</b>	(127)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(34,696)</b>	(1,423)

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<b>INVESTING ACTIVITIES</b>			
Proceeds on disposal of a subsidiary	29	4,077	–
Proceeds on disposal of property, plant and equipment		514	–
Purchase of property, plant and equipment		(301)	(3,678)
Acquisition of a subsidiary	30	–	(4,041)
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>		<b>4,290</b>	<b>(7,719)</b>
<b>FINANCING ACTIVITIES</b>			
New bank and other borrowings raised		67,152	57,149
Repayment of bank and other borrowings		(35,704)	(55,595)
Repayment of obligations under finance leases		(828)	(382)
Shares issued under share option schemes		–	7,600
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>30,620</b>	<b>8,772</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>214</b>	<b>(370)</b>
<b>CASH AND CASH EQUIVALENTS AT 1ST JULY</b>		<b>(2,171)</b>	<b>(1,801)</b>
<b>CASH AND CASH EQUIVALENT AT 30TH JUNE</b>		<b>(1,957)</b>	<b>(2,171)</b>
<b>ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents as previously reported			(61,422)
Effect of reclassification of loans with less than three months to maturity when raised			59,251
Cash and cash equivalents as restated			(2,171)
Represented by:			
Bank balances and cash		144	799
Bank overdrafts		(2,101)	(2,970)
		<b>(1,957)</b>	<b>(2,171)</b>