

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	(Unaudited) Six months ended 31 December	
	2002 HK\$'000	2001 HK\$'000
NET CASH OUTFLOW FROM:		
OPERATING ACTIVITIES	(3,976)	(47,598)
INVESTING ACTIVITIES	2,588	(4,544)
FINANCING ACTIVITIES	(263)	(78)
	<hr/>	<hr/>
DECREASE IN CASH AND CASH EQUIVALENTS	(1,651)	(52,220)
Cash and cash equivalents at beginning of period	38,874	99,059
Exchange adjustments	28	–
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	37,251	46,839
	<hr/>	<hr/>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Time deposits	6,140	17,485
Cash and bank balances	31,111	29,354
	<hr/>	<hr/>
	37,251	46,839
	<hr/>	<hr/>

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 ("HKSA"). The accounting policies and basis of preparation are the same as those used in the annual financial statements for the year ended 30 June 2002 except that the following new and revised SSAPs issued by the HKSA have been adopted for the first time in the preparation of the current period's condensed consolidated financial statements:

SSAP 1 (Revised)	:	"Presentation of financial statements"
SSAP 11 (Revised)	:	"Foreign currency translation"
SSAP 15 (Revised)	:	"Cash flow statements"
SSAP 25 (Revised)	:	"Interim financial reporting"
SSAP 34	:	"Employee benefits"

With the exception to SSAP 1, SSAP 15, SSAP 25 and SSAP 34, the adoption of the above standards has had no material effect on amounts reported in prior years.

The main revision to SSAP 1 is to change the requirements from presenting a statement of recognised gains and losses to a statement of changes in equity. The condensed consolidated statement of changes in equity for the current interim period and the comparative balances have been presented in accordance with this revised SSAP.

The main revision to SSAP 15 is to classify cash flows during the period into operating, investing and financing activities. The condensed consolidated cash flow statement for the current interim period and the comparative balances have been presented in accordance with this revised SSAP.

SSAP 25 (Revised) prescribes the presentation and disclosures following changes in SSAP 1 (Revised) and SSAP 15 (Revised). The condensed consolidated financial statements for the current interim period and comparative balances have been presented in accordance with this revised SSAP.