

CONSOLIDATED CASH FLOW STATEMENT

Year ended 28 February 2003

	Notes	2003 HK\$'000	2002 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(248,099)	(57,603)
Adjustments for:			
Interest expenses		13,999	29,669
Share of profits less losses of associates		11,278	11,316
Interest income		(10,998)	(16,685)
Depreciation		24,065	29,116
Goodwill amortisation and impairment		7,105	–
Deficit on revaluation of investment properties in People's Republic of China ("PRC")		44,790	–
Impairment on properties under development in PRC		53,704	–
Loss on write-off of fixed assets		–	219
Loss on disposal of fixed assets		–	525
Exchange loss on dissolution of a subsidiary		–	235
Gain on disposal of an associate		–	(76,418)
Provision/(write-back of provision) for impairment of long term unlisted investments		6,700	(2,191)
Operating loss before working capital changes		(97,456)	(81,817)
Decrease in properties under development		–	135,777
Decrease in long term receivables		4,423	514
Increase in properties under development for sale		(73,183)	(79,504)
Decrease/(increase) in properties held for sale		15,847	(57,050)
Decrease/(increase) in inventories		18,809	(12,039)
Decrease in debtors		373	210
Decrease/(increase) in prepayments, deposits and other receivables		(4,066)	64,805
Decrease in marketable securities		59,189	20,468
Increase/(decrease) in creditors, deposits and accrued expenses		7,382	(29,306)
Increase in pension scheme assets		(374)	–
Cash generated from operations		(69,056)	(37,942)
Interest received		10,998	16,685
Interest paid		(20,612)	(34,880)
Dividend paid		–	(1)
Dividend received		–	4,500
Hong Kong taxes refunded		–	28
Overseas taxes paid		–	(1,458)
Net cash outflow from operating activities		(78,670)	(53,068)

CONSOLIDATED CASH FLOW STATEMENT (Continued)

Year ended 28 February 2003

	Notes	2003 HK\$'000	2002 HK\$'000
Net cash outflow from operating activities		(78,670)	(53,068)
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to fixed assets		(8,706)	(1,810)
Payment for acquisition of shares from a minority shareholder	16	(24,206)	–
Acquisition of a subsidiary	31	(3,065)	–
Repayment from/(advance to) associates		18,372	(16,085)
Disposal of an associate		–	508,909
Additions to long term investments		(5)	(34,533)
Refund/(payment) of rental deposits		603	(156)
Decrease/(increase) in bank balances pledged		38,462	(13,146)
Decrease/(increase) in deposits with banks pledged		5,319	(1,134)
Proceeds on disposal of fixed assets		222	213
Net cash inflow from investing activities		26,996	442,258
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of loans, secured		(375,930)	(390,494)
New loans, secured		361,754	48,734
Minority interests		3,237	(3,260)
Net cash outflow from financing activities		(10,939)	(345,020)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(62,613)	44,170
Cash and cash equivalents at beginning of year		69,061	23,018
Effect of foreign exchange rate changes, net		(298)	1,873
CASH AND CASH EQUIVALENTS AT END OF YEAR		6,150	69,061
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	23	25,828	78,067
Bank overdrafts		(19,678)	(9,006)
		6,150	69,061