

Consolidated Cash Flow Statement

For the year ended 30 June 2004

	<i>Notes</i>	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i> (Restated)
Cash flows from operating activities			
Loss from ordinary activities before taxation		(189,454)	(356,418)
Adjustments for:			
Depreciation	7	2,031	1,485
(Gain)/loss on disposal of other fixed assets	7	147	(17)
(Surplus)/deficit on revaluation of investment properties	16	(1,965)	12,360
Deficit on revaluation of hotel properties	16	200,350	111,500
Impairment loss on property under development (written back)/provided	16	(71,325)	136,925
Amortisation of goodwill	18	–	12,615
Impairment loss on goodwill (written back)/provided	18	(10,000)	79,487
Interest income	6	(12,821)	(26,737)
Interest expenses	9	29,861	2,716
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Operating loss before working capital changes		(53,176)	(26,084)
Decrease in inventories		162	65
Increase in debtors, deposits and prepayments		(54,977)	(585,026)
Increase in creditors and accruals	28d	49,346	860
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Cash used in operations		(58,645)	(610,185)
PRC income tax paid		(251)	(463)
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Net cash outflow from operating activities		(58,896)	(610,648)
Cash flows from investing activities			
Interest received		12,835	28,901
Purchases of other fixed assets	16	(2,289)	(8,328)
Proceeds from disposal of other fixed assets		240	369
Acquisition of subsidiaries	28b	–	(761,375)
Disposal of subsidiaries	28c	–	101,684
Short term loan advanced		–	(283,500)
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Net cash inflow/(outflow) from investing activities		10,786	(922,249)

Consolidated Cash Flow Statement *(Continued)*

For the year ended 30 June 2004

	<i>Notes</i>	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i> (Restated)
Cash flows from financing activities			
Interest paid		(9,762)	(2,716)
Increase in pledged deposit	21b	(28,080)	–
Drawdowns of purported loans	23	<u>–</u>	<u>614,250</u>
Net cash (outflow)/inflow from financing activities		<u>(37,842)</u>	<u>611,534</u>
Net decrease in cash and cash equivalents		(85,952)	(921,363)
Cash and cash equivalents at beginning of year		<u>1,321,191</u>	<u>2,242,554</u>
Cash and cash equivalents at end of year		<u><u>1,235,239</u></u>	<u><u>1,321,191</u></u>
Analysis of balances of cash and cash equivalents			
Cash and bank balances		57,088	125,646
Deposits with original maturity period within three months when placed		<u>1,178,151</u>	<u>1,195,545</u>
		<u><u>1,235,239</u></u>	<u><u>1,321,191</u></u>

The notes on pages 40 to 88 form part of these financial statements.