

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2003

| <i>Note</i> | 2003 <i>HK\$'000</i> | 2002 <i>HK\$'000</i> |
|---|--------------------------------|--------------------------------|
| LOSS FROM OPERATING ACTIVITIES | | |
| BEFORE TAXATION | (50,850) | (1,485,267) |
| Adjustments for: | | |
| Interest expenses | 45,948 | 91,046 |
| Interest income | (411) | (1,257) |
| Depreciation | 2,032 | 32,768 |
| Net realised loss/(gain) on other investments | 443 | (21) |
| Provision for bad and doubtful debts | 3,046 | 2,486 |
| Net (gain)/loss on disposals of property, plant and equipment | (8,825) | 538,398 |
| (Gain)/loss on disposals of subsidiaries | (656) | 1,991 |
| Unrealised loss on other investments | — | 263 |
| Provision for bad and doubtful debts written back | (1) | (918) |
| Provision for impairment loss of properties held for development | — | 60,041 |
| Loss on disposal of investment properties | — | 90,664 |
| Loss arising from liquidation of subsidiaries | — | 648,330 |
| Fixed assets written off | 33 | — |
| Liabilities written back | (938) | — |
| Loss on disposal of club membership | 1,340 | — |
| | <u>42,011</u> | <u>1,463,791</u> |
| OPERATING LOSS BEFORE WORKING | | |
| CAPITAL CHANGES | (8,839) | (21,476) |
| Decrease/(increase) in trade and other receivables | 16,914 | (405) |
| Increase in amounts due from I-China Group | — | (61) |
| Increase in trade and other payables | 3,694 | 63,407 |
| Decrease in amounts due to subsidiaries under liquidation | (3,271) | — |
| | <u>17,337</u> | <u>62,941</u> |
| CASH INFLOW FROM OPERATING ACTIVITIES | 8,498 | 41,465 |
| Interest paid | (1,357) | (87,884) |
| Interest received | 40 | 822 |
| Hong Kong profits tax paid | (2) | (8) |
| Hong Kong profits tax refunded | 973 | — |
| | <u>8,152</u> | <u>(45,605)</u> |
| NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES | 8,152 | (45,605) |

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For the year ended 31 March 2003

| | Note | 2003 HK\$'000 | 2002 HK\$'000 |
|---|------|---------------------|---------------------|
| NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES CARRIED FORWARD | | 8,152 | (45,605) |
| INVESTING ACTIVITIES | | | |
| Proceeds from disposal of other investments | | 6,066 | 18,861 |
| Net cash outflow on disposal of subsidiaries and subsidiaries under liquidation | 31 | — | (33,967) |
| Proceeds from disposals of property, plant and equipment | | 19,839 | 623,021 |
| Purchase of property, plant and equipment | | (492) | (1,866) |
| Decrease in restricted bank deposits | | 23 | 15,163 |
| Net proceeds from disposal of investment properties | | — | 137,082 |
| Net proceeds from disposal of club membership | | 360 | — |
| NET CASH INFLOW FROM INVESTING ACTIVITIES | | <u>25,796</u> | <u>758,294</u> |
| NET CASH INFLOW BEFORE FINANCING | | <u>33,948</u> | <u>712,689</u> |
| FINANCING | | | |
| Repayment of bank borrowings | | (34,642) | (709,251) |
| Repayment of obligations under finance leases | | (602) | (775) |
| NET CASH OUTFLOW FROM FINANCING | | <u>(35,244)</u> | <u>(710,026)</u> |
| (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | | (1,296) | 2,663 |
| EFFECT OF FOREIGN EXCHANGE RATE CHANGES | | 48 | 67 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | | <u>7,896</u> | <u>5,166</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | | <u><u>6,648</u></u> | <u><u>7,896</u></u> |
| ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS | | | |
| Cash and bank balances | | <u><u>6,648</u></u> | <u><u>7,896</u></u> |

The notes on pages 25 to 56 form an integral part of these financial statements.