

For the year ended 31 December, 2003

	2003 HK\$'000	2002 HK\$'000
Loss from ordinary activities before taxation	(66,118)	(5,051)
Adjustments for:		
Amortisation of goodwill	2,793	2,793
Amortisation on investment in a property development joint venture	2,160	2,160
Depreciation	1,231	1,164
Write-back of deficit on revaluation of investment properties previously charged	(1,986)	–
Gain on disposals of investment properties	–	(129)
Interest income	(284)	(985)
Interest expenses	6,709	5,975
Loss on disposal of property, plant and equipment	–	8
Impairment loss on interest in an associate	20,945	–
Provision for bad and doubtful debts	9,894	5,309
Write-down on properties held for sale	–	382
Deficit on revaluation of investment properties	–	926
Share of results of an associate	(4)	(185)
Loss/(Gain) on disposals of subsidiaries	41,027	(676)
Operating profit before working capital changes	16,367	11,691
(Increase)/Decrease in properties held for development	(952)	120,940
Decrease/(Increase) in properties held for sale	27,843	(53,198)
Increase in loans receivable	(5,934)	(5,691)
(Increase)/Decrease in other receivables, deposits and prepayments	(18,841)	6,140
Decrease in trade payables, deposits and accruals	(2,776)	(18,779)
Decrease in deposits received for sale of developed properties	(1,604)	(23,219)
Cash generated from operations	14,103	37,884
Interest received	284	985
Interest paid	(6,709)	(5,975)
Overseas tax refund/(paid)	1,294	(184)
Net cash from operating activities	8,972	32,710

Consolidated Cash Flow Statement

For the year ended 31 December, 2003

	Notes	2003 HK\$'000	2002 HK\$'000
Investing activities			
Payment for disposal of a subsidiary	27	(187)	–
Purchases of property, plant and equipment		(154)	(26,334)
Sale proceeds on disposals of investment properties		–	215
Utilisation in/(Payments for) deposits for acquisition of land		20,471	(9,500)
Repayment from/(Advance to) an associate		1,732	(6)
Withdrawal of pledged bank deposits		6,296	38,943
Net cash from investing activities		28,158	3,318
Financing			
New other loans raised		50,641	692
Bank loans repaid		(93,421)	(40,593)
(Repayments of advances)/Advances from a director		(23,967)	29,787
Proceeds from issue of shares		–	1,017
Expenses incurred in connection with issue of shares		–	(200)
Net cash used in financing activities		(66,747)	(9,297)
Net (decrease)/increase in cash and cash equivalents		(29,617)	26,731
Cash and cash equivalents at the beginning of the year		27,465	1,168
Effect of foreign exchange rate changes		(86)	(434)
Cash and cash equivalents at the end of the year		(2,238)	27,465
Analysis of the balances of cash and cash equivalents			
Cash and bank balances		1,971	27,465
Bank overdrafts, secured		(4,209)	–
		(2,238)	27,465

The notes on pages 23 to 49 form an integral part of these financial statements.