

**CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31st December, 2003

Notes	2003 HK\$	2002 HK\$
<b>OPERATING ACTIVITIES</b>		
Loss from operations	<b>(21,873,823)</b>	(62,255,335)
Adjustments for:		
Depreciation	<b>3,857,958</b>	7,369,344
Loss on disposal of property, plant and equipment	<b>138,586</b>	24,178
Loss on disposal of investment properties	–	737,902
Profit on disposal of listed investment securities	<b>(5,275,613)</b>	–
Deficit on revaluation of investment properties	<b>45,451,938</b>	–
Impairment loss on investment securities (reversed) recognised	<b>(3,089,978)</b>	30,358,368
Impairment loss on property, plant and equipment (reversed) recognised	<b>(654,354)</b>	24,751,626
Unrealised holding (gain) loss on listed other investments	<b>(6,239,799)</b>	1,453,041
Operating cash flows before movements in working capital	<b>12,314,915</b>	2,439,124
Decrease (increase) in inventories	<b>975,436</b>	(2,906,016)
Decrease in properties under development for sale	–	423,067
(Increase) decrease in other investments	<b>(51,018)</b>	813,779
Decrease in trade and other receivables	<b>2,602,294</b>	5,723,010
Decrease (increase) in amount due from an associate	<b>602,474</b>	(324,814)
Increase (decrease) in trade and other payables	<b>8,990,651</b>	(3,998,548)
(Decrease) increase in amount due to directors	<b>(13,925,348)</b>	15,494,373
Increase in amount due to a jointly controlled entity	<b>209,161</b>	298,389
Increase in amounts due to related companies	<b>8,331</b>	869,281
Cash generated from operations	<b>11,726,896</b>	18,831,645
Overseas tax paid	<b>(612,584)</b>	(1,101,003)
Hong Kong Profits Tax paid	<b>(684,000)</b>	(399,000)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>10,430,312</b>	17,331,642
<b>INVESTING ACTIVITIES</b>		
Proceeds on disposal of investment securities	<b>12,658,660</b>	–
Proceeds on disposal of property, plant and equipment	<b>1,367</b>	4,778
Proceeds on disposal of investment properties	–	5,229,934
Net cash inflow from disposal of subsidiaries	–	440,181
Acquisition of property, plant and equipment	<b>(3,410,946)</b>	(1,440,569)
Increase in pledged bank deposits	<b>(7,702,653)</b>	(4,068,724)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>1,546,428</b>	165,600

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For the year ended 31st December, 2003

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<b>FINANCING ACTIVITIES</b>		
Dividend paid to minority shareholders	(1,881,842)	(2,503,078)
Repayment of bank and other loans	(27,343,306)	(20,964,170)
Repayment of obligations under finance leases	(23,827)	(478,602)
New bank and other loans	21,555,149	20,951,496
Interest paid on obligations under finance leases	–	(79,374)
Interest paid on bank and other loans	(5,693,260)	(14,643,402)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(13,387,086)</b>	<b>(17,717,130)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,410,346)</b>	<b>(219,888)</b>
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	<b>8,548,753</b>	<b>8,767,463</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>(55,459)</b>	<b>1,178</b>
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD, represented by bank balances and cash</b>	<b><u>7,082,948</u></b>	<b><u>8,548,753</u></b>