

**CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31st December, 2003

	<b>2003</b>	2002
	<b>HK\$'000</b>	HK\$'000
<b>OPERATING ACTIVITIES</b>		
Loss from operations	<b>(148,312)</b>	(92,231)
Adjustments for:		
Interest income	<b>(126)</b>	(302)
Depreciation and amortisation	<b>21,031</b>	30,985
Impairment losses and revaluation decrease (note 6)	<b>134,503</b>	80,721
Negative goodwill released	<b>(872)</b>	(107)
Exchange difference on investments in securities	<b>—</b>	(341)
Loss (gain) on disposal of property, plant and equipment	<b>172</b>	(3)
Unrealised loss on investments in securities	<b>26</b>	412
Allowance for bad and doubtful debts	<b>—</b>	511
Gain on disposal of investments in securities	<b>(1,041)</b>	—
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Operating cash flow before movements in working capital	<b>5,381</b>	19,645
Decrease in properties held for sale	<b>—</b>	51,795
Decrease (increase) in inventories	<b>3,469</b>	(409)
Decrease in trade and other receivables	<b>6,273</b>	5,769
(Decrease) increase in trade and other payables	<b>(13,271)</b>	3,837
Increase (decrease) in deposits received	<b>4,682</b>	(27)
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Cash generated from operations	<b>6,534</b>	80,610
Interest received	<b>126</b>	302
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<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>6,660</b>	80,912
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**CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31st December, 2003

	NOTES	2003 HK\$'000	2002 HK\$'000
<b>INVESTING ACTIVITIES</b>			
Refund of (payment for) investments		75,000	(75,000)
Proceeds from disposal of investment in securities		8,879	—
Proceeds from disposal of property, plant and equipment		237	296
Purchase of property, plant and equipment		(12,483)	(30,446)
Additional costs incurred on properties under/held for development		(20,944)	(5,056)
Disposal of subsidiaries	36	(21,337)	52,457
Acquisition of subsidiaries	37	—	(390,541)
Purchase of investment in securities		—	(4,060)
Decrease in pledged deposits		—	8,427
Repayment from minority shareholders of subsidiaries		—	5,357
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>		<b>29,352</b>	<b>(438,566)</b>
<b>FINANCING ACTIVITIES</b>			
Repayment of bank and other borrowings		(28,640)	(28,055)
(Repayment of) proceeds from issue of convertible note		(66,000)	66,000
Interest paid		(35,967)	(44,680)
Repayment of obligations under a finance lease		(1,023)	(787)
Repayment to minority shareholders of subsidiaries		(187)	(3,043)
New bank and other borrowings raised		39,830	114,000
Advances from related companies/fellow subsidiaries		3,247	34,598
Proceeds from issue of shares, net of expenses		—	304,448
Repayment to related companies/fellow subsidiaries		—	(73,000)
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES</b>		<b>(88,740)</b>	<b>369,481</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(52,728)</b>	<b>11,827</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>57,079</b>	<b>45,565</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>		<b>472</b>	<b>(313)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		<b>4,823</b>	<b>57,079</b>
— representing bank balances and cash		<b>4,823</b>	<b>57,079</b>