

Pro Forma Unaudited Adjusted Consolidated Balance Sheet

Set out below is the pro forma unaudited adjusted consolidated balance sheet after taking into account the significant post balance sheet events noted in Note 29 of the financial statements.

	2003	Pro Forma Adjustments				Adjusted balance
		(1)	(2)	(3)	(4)	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current assets						
Fixed assets	5,703					5,703
Investment securities	997					997
	<u>6,700</u>					<u>6,700</u>
Current assets						
Properties held for resale	31,100				(10,600)	20,500
Trade and other receivables	846					846
Bank and cash balances	1,643	42,000		(12,500)	(18,000)	13,143
	<u>33,589</u>					<u>34,489</u>
Less Current liabilities						
Trade and other payables	14,089					14,089
Short term borrowings	175,464	(5,000)	(34,000)		(130,378)	6,086
Current portion of long term borrowings	55,027			(19,789)	(35,238)	–
	<u>244,580</u>					<u>20,175</u>
Net current (liabilities)/assets	<u>(210,991)</u>					<u>14,314</u>
Net (liabilities)/assets	<u>(204,291)</u>					<u>21,014</u>
Capital and reserves						
Share capital	36,279	200,000	136,000			372,279
Reserves	(240,570)	(153,000)	(102,000)	7,289	137,016	(351,265)
	<u>(204,291)</u>					<u>21,014</u>

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Notes:

- (a) On 12 January 2004, the Lender of a loan of HK\$5,000,000 referred to in Note 21(c) executed the subscription agreement, and subscribed for 500,000,000 shares of the Company at HK\$0.10 each. The subscription shares were subsequently issued together with 1,500,000,000 bonus shares on the basis of three bonus shares for each share subscribed by the Lender. The aforesaid loan of HK\$5,000,000 was discharged as a deposit for the subscription agreement. The remaining HK\$45,000,000 was paid to the Company on 12 March 2004. The issuing expenses were approximately HK\$3,000,000.
- (b) On 10 January 2004 and 13 January 2004, the Company entered into four loan capitalisation agreements with four of its creditors in respect of a total outstanding loan amount of HK\$34,000,000 (Notes 21(b), (d) and (e)). Pursuant to the loan capitalisation agreements, 340,000,000 shares of the Company at HK\$0.10 each were issued to the creditors. The capitalisation shares were issued together with 1,020,000,000 bonus shares on the basis of three bonus shares for each share subscribed by the creditors.
- (c) On 27 February 2004, the Group paid HK\$12,500,000 to a bank to settle the outstanding indebtedness of HK\$19,789,000 (Note 22(a)).
- (d) On 19 March 2004, the Group paid HK\$18,000,000, delivered the possession of a mortgaged property with carrying value of HK\$10,600,000 to a bank and filed a winding-up petition against one of its subsidiaries as are part of the loans settlement arrangements to settle the outstanding indebtedness of HK\$165,616,000 with the bank (Notes 21(a)(iv) and 22(b)).