

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2003

| | 2003 HK\$'000 | 2002 HK\$'000 |
|--|------------------|------------------|
| OPERATING ACTIVITIES | | |
| Loss before taxation | (65,150) | (137,340) |
| Adjustments for: | | |
| (Surplus) deficit arising from revaluation of investment properties | (662) | 55,745 |
| Depreciation of property, plant and equipment | 2,509 | 3,264 |
| Loss on disposal of property, plant and equipment | — | 1,480 |
| Allowance for accounts receivable | — | 4,190 |
| Allowance for loan receivable | — | 5,000 |
| Interest income | (62) | (1,247) |
| Interest expenses | 27,241 | 26,739 |
| | <hr/> | <hr/> |
| Operating cash flows before movements in working capital | (36,124) | (42,169) |
| Increase in property under development for sale | (31,691) | (86,129) |
| Increase in prepayments and other receivables | (2,942) | (44,967) |
| Increase in amount due from a former director | (2,775) | (986) |
| Decrease (increase) in amounts due from former related companies | 536 | (7,009) |
| Decrease in instalment contract receivables | — | 3,886 |
| Decrease in accounts receivable | 233 | 16,146 |
| Decrease (increase) in restricted bank balances | 23,434 | (23,434) |
| (Decrease) increase in taxes payable | (4,631) | 1,684 |
| (Decrease) increase in accruals and other payables | (20,986) | 58,157 |
| Increase in advances from customers | 16,589 | 22,767 |
| Increase in accounts payable | 6,495 | 29,444 |
| Decrease in amounts due to former related companies | — | (2,772) |
| (Decrease) increase in land development cost payable | (72,967) | 13,428 |
| Exchange rate adjustment | 127 | — |
| | <hr/> | <hr/> |
| NET CASH USED IN OPERATING ACTIVITIES | (124,702) | (61,954) |
| INVESTING ACTIVITIES | | |
| Interest received | 62 | 1,247 |
| Purchase of property, plant and equipment | (124) | (681) |
| Proceeds from disposal of property, plant and equipment | 16 | 512 |
| Decrease (increase) of restricted cash | 403 | (3) |
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| NET CASH FROM INVESTING ACTIVITIES | 357 | 1,075 |

CONSOLIDATED CASH FLOW STATEMENT*For the year ended 31 December 2003*

| | 2003 HK\$'000 | 2002 HK\$'000 |
|---|--------------------------------|------------------|
| FINANCING ACTIVITIES | | |
| Interest paid | (29,643) | (27,829) |
| Drawdown of other borrowings | 187,000 | — |
| Drawdown of bank loans | 34,398 | 50,420 |
| Repayment of bank loans | — | (156,047) |
| Repayment of obligations under finance leases | (108) | (92) |
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| NET CASH FROM (USED IN) FINANCING ACTIVITIES | 191,647 | (133,548) |
| | <hr/> | <hr/> |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 67,302 | (194,427) |
| | <hr/> | <hr/> |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 1,879 | 196,306 |
| | <hr/> | <hr/> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | | |
| Bank balances and cash | 69,181 | 1,879 |
| | <hr/> <hr/> | <hr/> <hr/> |