

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2003
(Expressed in Hong Kong Dollars)

	2003 \$'000	2002 \$'000
Cash Flows from Operating Activities		
Loss before taxation	(11,694)	(5,975)
Adjustments for:		
Interest income	(3,932)	(2,458)
Depreciation	2,583	1,510
(Surplus)/Deficit on revaluation of investment properties	(1,100)	4,750
Gain on disposal of subsidiaries	–	(2,345)
Gain on disposal of associate	–	(6,603)
Loss on disposal of fixed assets	6,710	154
Loss on disposal of investment properties	–	2,046
Exchange differences	(259)	(28)
Operating loss before working capital changes	(7,692)	(8,949)
Decrease in amounts due from associates	–	29,807
Decrease in accounts receivable, other receivables and prepayment	13,725	25,063
Decrease in amount due from fellow subsidiary	–	9,247
Decrease in accounts payables, other payables and accruals	(59)	(8,614)
Decrease in investment deposits	92,000	–
Increase in amount due to ultimate holding company	1,060	–
(Increase)/Decrease in amount due to related companies	(3,222)	3,222
(Decrease)/Increase in amount due to a director	(2,622)	2,723
Increase in amount due to minority shareholder	–	(1,325)
Cash generated from operations	93,190	51,174
Interest received	3,932	2,458
Interest element of finance lease	(1)	(63)
Other borrowing costs paid	(4,500)	(3,162)
Hong Kong profits tax paid	–	(2,158)
Net cash inflow from operating activities	92,621	48,249
Cash Flows from Investing Activities		
Purchases of fixed assets and properties under development	(25,444)	(117,528)
Payment of acquisition of other investments	(92,000)	(216,467)
Proceeds from disposal of investment properties and other fixed assets	14,207	106,704
Refund of investment deposits	12,836	18,870
Deposits for investments	(49,525)	(69,480)
Proceeds from disposal of subsidiaries	–	64,492
Loans to third parties	(18,050)	–
Cash effect of disposal of subsidiaries	–	(2,182)
Repayment of loans from third parties	8,416	10,623
Net cash outflow from investing activities	(149,560)	(204,968)
Net cash outflow before financing activities carried forward	(56,939)	(156,719)

CONSOLIDATED CASH FLOW STATEMENT (cont'd)

For the year ended 31 December 2003
(Expressed in Hong Kong Dollars)

	<i>Notes</i>	2003 \$'000	2002 \$'000
Net cash outflow before financing activities carried forward		(56,939)	(156,719)
Cash Flows from Financing Activities			
Proceeds from placing of shares		74,500	138,172
Capital element of finance lease rentals		–	(621)
Repayment of bank loans		(18,602)	(3,557)
New bank loans		–	19,966
Net cash inflow from financing activities		55,898	153,960
Net Decrease in Cash and Cash Equivalents		(1,041)	(2,759)
Effect of foreign exchange rate changes		(84)	(293)
Cash and cash equivalents at beginning of year		28,249	31,301
Cash and cash equivalents at end of year		27,124	28,249
Analysis of Balances of Cash and Cash Equivalents			
Cash and bank balances	24	37,055	38,293
Bank overdrafts	24	(9,931)	(10,044)
		27,124	28,249

The accompanying notes form an integral part of these financial statements.