

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST JANUARY, 2003

|  | 2003<br>HK\$     | 2002<br>HK\$     |
|--|------------------|------------------|
| OPERATING ACTIVITIES                                     |                  |                  |
| Loss before taxation                                     | (4,644,598)      | (7,905,313)      |
| Adjustments for:   |                  |                  |
| Share of results of associates                           | 1,672,531        | 5,174,119        |
| Depreciation of property, plant and equipment            | 1,995            | 2,468            |
| Interest income  | (26,932)         | (112,483)        |
| Interest expenses  | 430,681          | 587,590          |
| Deficit on revaluation of investment properties          | 1,430,000        | 1,720,000        |
| Operating cash flows before movements in working capital | (1,136,323)      | (533,619)        |
| Decrease in properties held for sale                     | –                | 3,243,407        |
| Increase in sundry receivables                           | (24,119)         | (247,787)        |
| Decrease in sundry payables                              | (33,704)         | (948,704)        |
| Cash (used in) generated from operations                 | (1,194,146)      | 1,513,297        |
| Interest paid  | (430,681)        | (587,590)        |
| NET CASH (USED IN) FROM OPERATING ACTIVITIES             | (1,624,827)      | 925,707          |
| INVESTING ACTIVITIES                                     |                  |                  |
| Additions to properties under development                | (71,492)         | (71,492)         |
| (Increase) decrease in pledged bank deposits             | (841)            | 40,200           |
| Interest received  | 26,932           | 112,483          |
| Repayment from an associate                              | 1,931            | –                |
| NET CASH (USED IN) FROM INVESTING ACTIVITIES             | (43,470)         | 81,191           |
| FINANCING ACTIVITIES                                     |                  |                  |
| New shareholder's loan raised                            | 415,998          | 214,943          |
| Repayments of bank loans                                 | (401,671)        | (74,655)         |
| NET CASH FROM FINANCING ACTIVITIES                       | 14,327           | 140,288          |
| (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS         | (1,653,970)      | 1,147,186        |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR       | 4,119,804        | 2,972,618        |
| CASH AND CASH EQUIVALENTS AT END OF THE YEAR             | <u>2,465,834</u> | <u>4,119,804</u> |
| CASH AND CASH EQUIVALENTS AS PREVIOUSLY REPORTED         | –                | 2,108,933        |
| EFFECT OF RECLASSIFICATION OF BANK OVERDRAFTS            | –                | 2,010,871        |
| CASH AND CASH EQUIVALENTS AS RESTATED                    | <u>–</u>         | <u>4,119,804</u> |
| BEING:   |                  |                  |
| Bank balances and cash                                   | <u>2,465,834</u> | <u>4,119,804</u> |