

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March 2003

	Note	2003 HK\$'000	2002 HK\$'000
Cash flows from operating activities			
Net cash used in operations	(a)	(13,785)	(60,492)
Hong Kong profits tax paid		(5,971)	(10,976)
Net cash used in operating activities		(19,756)	(71,468)
Cash flows from investing activities			
Payment for property under development		(44,465)	(326,527)
Addition of development costs		(4,688)	(3,877)
Addition of patents and trademarks		(862)	(2,407)
Purchase of fixed assets		(9,310)	(11,240)
Payment for other investments		–	(5,461)
Payment for short-term investments		(9,746)	(3,233)
Proceeds from disposal of short-term investments		–	3,276
Proceeds from disposal of fixed assets		484	1,403
Dividends received		116	1,386
Interest received		2,504	6,235
Net cash used in investing activities		(65,967)	(340,445)
Cash flows from financing activities			
Drawdown of long-term bank loans		46,000	164,900
Addition of short-term bank loans		53,000	132,500
(Increase)/decrease in restricted deposits		(14,381)	5,468
Capital elements of finance lease payments		(5,086)	(4,214)
Dividend paid		–	(6,173)
Interest paid		(12,060)	(8,104)
Interest element of finance lease payments		(162)	(349)
Net cash from financing activities	(b)	67,311	284,028
Decrease in cash and cash equivalents		(18,412)	(127,885)
Cash and cash equivalents at beginning of year		3,738	131,623
Cash and cash equivalents at end of year		(14,674)	3,738
Analysis of cash and cash equivalents			
Cash and bank balances		16,088	16,341
Time deposits		2,485	5,809
Bank overdrafts – secured		(33,247)	(18,412)
		(14,674)	3,738

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March 2003

### (a) Reconciliation of operating profit to net cash used in operations

	2003 HK\$'000	2002 HK\$'000
Operating profit	12,894	14,216
Interest income	(2,504)	(6,235)
Dividend income	(41)	(273)
Loss/(gain) on disposal of fixed assets	413	(22)
Interest element of finance lease payments	156	315
Amortisation of development costs	—	1,195
Amortisation of patents and trademarks	—	35
Depreciation	25,020	25,035
Unrealised losses on short-term investments	1,073	1,571
Realised gains on short-term investments	—	(290)
Provision for impairment in value of other investments	247	2,161
Operating profit before working capital changes	37,258	37,708
(Increase)/decrease in long-term trade debtors	(21,530)	9,335
Decrease in loans to employees	213	1,061
(Increase)/decrease in trade debtors	(3,484)	76,945
(Increase)/decrease in inventories	(409)	1,412
(Increase)/decrease in prepayments, deposits and other receivables	(4,570)	5,916
Increase in due from customers on construction contracts	(62,288)	(30,481)
Increase in amounts due from related parties	(1)	(2)
Decrease in amounts due from associated companies	5,243	2,697
Increase/(decrease) in payable to suppliers and subcontractors	36,023	(76,587)
Decrease in accruals, retentions payable and other liabilities	(9,741)	(10,431)
Increase/(decrease) in due to customers on construction contracts	10,969	(79,051)
(Decrease)/increase in amounts due to related parties	(290)	74
(Decrease)/increase in amounts due to associated companies	(1,178)	912
Net cash used in operations	(13,785)	(60,492)

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March 2003

### (b) Analysis of changes in financing during the year

	2003							2002
	Share capital	Share premium	Minority interests	Finance lease obligations	Long-term bank loans	Short-term bank loans	Restricted deposits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at beginning of year	88,190	415,430	5,579	3,983	164,900	132,500	(128,327)	382,617
Net cash (outflow)/inflow from financing activities	-	-	-	(5,086)	46,000	53,000	(14,381)	298,654
Share of profit by minority shareholders	-	-	260	-	-	-	-	503
Inception of finance lease obligations	-	-	-	2,858	-	-	-	481
Balance at end of year	88,190	415,430	5,839	1,755	210,900	185,500	(142,708)	682,255