

# Consolidated Cash Flow Statement

For the year ended 31st March, 2003

|  | 2003<br>HK\$ | 2002<br>HK\$ |
|--|--------------|--------------|
| Loss from operations                                     | (8,215,135)  | (20,933,874) |
| Adjustments for:   |              |              |
| Income from investment in an intangible asset            | (612,630)    | –            |
| Depreciation   | 5,670,123    | 5,705,198    |
| Amortisation of intangible asset                         | 1,000,000    | –            |
| Allowance for doubtful debts                             | 1,026,061    | 88,850       |
| Unrealised loss on investments in securities             | 702,855      | 67,600       |
| Loss on disposal of property, plant and equipment        | 121,742      | 202,767      |
| Provision for recoverability of deposit paid             | –            | 3,500,000    |
| Revaluation decrease on investment properties            | 9,888,702    | 460,000      |
| Revaluation decrease on hotel property                   | 6,297,782    | 2,571,183    |
| Operating cash flows before movements in working capital | 15,879,500   | (8,338,276)  |
| Decrease in inventories                                  | 418          | 12,298       |
| Increase in debtors, deposits and prepayments            | (1,063,798)  | (261,726)    |
| Decrease in current accounts with related companies, net | 347,910      | 177,007      |
| Increase in investments in securities                    | (10,316,628) | (642,625)    |
| Increase in creditors, accruals and other payables       | 4,354,437    | 999,624      |
| Increase (decrease) in deposits received                 | 260,655      | (1,057,688)  |
| (Decease) increase in amounts due to directors           | (45,000)     | 30,000       |
| Cash generated from (used in) operations                 | 9,417,494    | (9,081,386)  |
| <b>INVESTING ACTIVITIES</b>                              |              |              |
| Purchase of investment properties                        | (32,208,702) | –            |
| Purchase of property, plant and equipment                | (3,132,768)  | (4,232,384)  |
| (Increase) decrease in pledged bank deposits             | (25,797)     | 147,901      |
| Proceeds from disposal of property, plant and equipment  | –            | 128,000      |
| Acquisition of intangible asset                          | (11,312,400) | –            |
| Acquisition of additional interest in a subsidiary       | (37,225,662) | –            |
| Acquisition of associates                                | (3)          | –            |
| Acquisition of investments in securities                 | (2,759,955)  | –            |
| Income received from investment in an intangible asset   | 306,315      | –            |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>             | (86,358,972) | (3,956,483)  |

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For the year ended 31st March, 2003

|   | 2003<br>HK\$        | 2002<br>HK\$       |
|---|---------------------|--------------------|
| FINANCING ACTIVITIES                                    |                     |                    |
| Interest paid   | (5,305,321)         | (4,868,409)        |
| Interest on obligations under finance leases paid       | (33,898)            | (41,770)           |
| Repayment of obligations under finance leases           | (260,691)           | (220,789)          |
| New bank loans raised                                   | 20,000,000          | 145,000,000        |
| Repayment of bank loans                                 | (59,809,569)        | (2,202,970)        |
| Repayment of loan by an associate                       | 82,778,427          | –                  |
| Repayment to an associate                               | (50,000,002)        | –                  |
| Advance to associates                                   | (1,485,956)         | –                  |
| (Repayment of) advance from a minority shareholder      | (3,861,425)         | 548,951            |
| NET CASH (USED IN) FROM FINANCING ACTIVITIES            | <u>(17,978,435)</u> | <u>138,215,013</u> |
| NET (DECREASE) INCREASE IN CASH AND<br>CASH EQUIVALENTS | (94,919,913)        | 125,177,144        |
| CASH AND CASH EQUIVALENTS AT BEGINNING<br>OF THE YEAR   | 121,524,344         | (3,502,625)        |
| EFFECT OF FOREIGN EXCHANGE RATE CHANGES                 | –                   | (150,175)          |
| CASH AND CASH EQUIVALENTS AT<br>END OF THE YEAR         | <u>26,604,431</u>   | <u>121,524,344</u> |
| Being:  |                     |                    |
| Bank balances and cash                                  | <u>26,604,431</u>   | <u>121,524,344</u> |