

CONSOLIDATED CASH FLOW STATEMENT

For the year ended March 31, 2004

| | Note | 2004 HK\$'000 | 2003 HK\$'000 |
|--|------|------------------|------------------|
| Operating Activities | | | |
| Loss before taxation | | (102,054) | (129,903) |
| Adjustments for: | | | |
| Depreciation | | 120 | 682 |
| Interest expenses | | 10,180 | 18,100 |
| Interest income | | (34) | (97) |
| Dividend income | | (10) | - |
| Gain on disposal of investments in securities | | (293) | (583) |
| Loss (gain) on disposal of subsidiaries | | 400 | (5,500) |
| Loss on disposal of an associate | | - | 9 |
| Loss on disposal of tangible fixed assets other than properties | | 246 | 17 |
| Unrealised holding loss on investments in securities | | - | 289 |
| (Surplus) deficit arising from revaluation of investment properties | | (9,700) | 79,600 |
| (Reversal of) allowance for estimated loss on properties held for sale | | (37,771) | 13,446 |
| Impairment loss recognised for investments in securities | | 140,400 | - |
| Bank borrowings and related accrued interest waived | | (9,608) | - |
| Allowance for doubtful debts | | 514 | 634 |
| Unclaimed obligations recognised as income | | - | (1,646) |
| | | <hr/> | <hr/> |
| Operating cash flows before movements in working capital | | (7,610) | (24,952) |
| Decrease in investment properties | | 89,000 | 73,000 |
| Decrease in properties held for sale | | 771 | 6,554 |
| Decrease in trade and other receivables | | 989 | 2,396 |
| (Decrease) increase in trade and other payables | | (4,177) | 1,587 |
| Decrease in deposits received | | (2,052) | (2,302) |
| | | <hr/> | <hr/> |
| Cash generated from operations | | 76,921 | 56,283 |
| Hong Kong Profits Tax refunded (paid) | | 49 | (43) |
| | | <hr/> | <hr/> |
| Net Cash Generated From Operating Activities | | 76,970 | 56,240 |
| | | <hr/> | <hr/> |
| Investing Activities | | | |
| Proceeds from disposal of subsidiaries | 27 | 231 | 5,000 |
| Acquisition of investments in securities | | - | (3,168) |
| Proceeds from disposal of investments in securities | | 763 | 6,184 |
| Purchase of tangible fixed assets | | (12) | (268) |
| Interest received | | 34 | 97 |
| Dividend received | | 10 | - |
| | | <hr/> | <hr/> |
| Net Cash Generated From Investing Activities | | 1,026 | 7,845 |
| | | <hr/> | <hr/> |

CONSOLIDATED CASH FLOW STATEMENT

For the year ended March 31, 2004

| | 2004 HK\$'000 | 2003 HK\$'000 |
|---|---------------------|---------------------|
| Financing Activities | | |
| Repayment to a director | (2,920) | (524) |
| New bank loans raised | 50,000 | - |
| Repayments of bank loans | (121,987) | (76,744) |
| Dividend paid | - | (716) |
| Proceeds from issue of shares | 2,059 | - |
| Interest paid | (2,940) | (5,862) |
| | <u>(75,788)</u> | <u>(83,846)</u> |
| Net Cash Used in Financing Activities | | |
| | (75,788) | (83,846) |
| Net Increase (Decrease) in Cash and Cash Equivalents | 2,208 | (19,761) |
| Cash and Cash Equivalents at the Beginning of the Year | <u>1,992</u> | <u>21,753</u> |
| Cash and Cash Equivalents at the End of the Year | <u><u>4,200</u></u> | <u><u>1,992</u></u> |
| Analysis of the Balances of Cash and Cash Equivalents | | |
| Bank balances and cash | 4,200 | 2,087 |
| Bank overdrafts | - | (95) |
| | <u>4,200</u> | <u>1,992</u> |