

Consolidated Cash Flow Statement

For the year ended 31st December, 2001

	2001 HK\$'000	2000 HK\$'000
Net cash inflow from operating activities (Note a)	<u>25,240</u>	<u>15,306</u>
Returns on investments and servicing of finance		
Interest received	511	1,913
Interest element of finance leases	(41)	(18)
Interest paid	(24,843)	(32,963)
Dividend received	9	5,644
	<u> </u>	<u> </u>
Net cash outflow from returns on investments and servicing of finance	<u>(24,364)</u>	<u>(25,424)</u>
Taxation		
Hong Kong profits tax refunded/(paid)	854	(1,680)
Overseas tax paid	(3,439)	(3,151)
	<u> </u>	<u> </u>
Tax paid	<u>(2,585)</u>	<u>(4,831)</u>
Investing activities		
Purchase of fixed assets	(20,567)	(21,707)
Proceeds on disposal of fixed assets	8	146
Cash outflow from purchase of subsidiaries (Note c)	—	(8,719)
Purchase of current investments	(69)	(378)
Proceeds on disposal of investments	316	3,407
Capital element of distributions from partnership	—	3,109
Net cash outflow to associates	(123)	(355)
	<u> </u>	<u> </u>
Net cash outflow from investing activities	<u>(20,435)</u>	<u>(24,497)</u>
Net cash outflow before financing carried forward	(22,144)	(39,446)

Consolidated Cash Flow Statement *(Continued)*

For the year ended 31st December, 2001

	2001 <i>HK\$'000</i>	2000 <i>HK\$'000</i>
Net cash outflow before financing brought forward	<u>(22,144)</u>	<u>(39,446)</u>
Financing		
Net (decrease)/increase in long term bank loans <i>(Note d)</i>	(16,315)	23,141
Net decrease in short term bank loans <i>(Note d)</i>	(10,987)	(73,889)
Capital element of finance leases <i>(Note d)</i>	(166)	(1,507)
Net increase in advances from shareholders <i>(Note d)</i>	1,000	30,000
Decrease in amounts due to related companies and related parties <i>(Note d)</i>	(1,435)	(2,496)
Shares issued under share option scheme <i>(Note d)</i>	56	1,954
Net cash outflow from financing	<u>(27,847)</u>	<u>(22,797)</u>
Decrease in cash and cash equivalents	(49,991)	(62,243)
Cash and cash equivalents at 1st January	<u>(56,396)</u>	<u>5,847</u>
Cash and cash equivalents at 31st December <i>(Note e)</i>	<u><u>(106,387)</u></u>	<u><u>(56,396)</u></u>

Consolidated Cash Flow Statement *(Continued)*

For the year ended 31st December, 2001

Notes to Consolidated Cash Flow Statement

(a) Reconciliation of profit from operations to net cash inflow from operating activities

	2001 HK\$'000	2000 HK\$'000
Profit from operations	23,314	1,781
Interest income	(880)	(1,969)
Provision for land held for resale	2,203	13,000
Amortisation of intangible assets	2,496	2,496
Depreciation	17,528	15,406
Loss/(gain) on disposal of fixed assets	2	(82)
Dividend income	(9)	(5,644)
Gain on disposal of investments	(160)	(208)
Loss from partnership	1,337	1,619
Exchange adjustments	(425)	(1,698)
Unrealised loss on listed investments	184	363
Unrealised gain on revaluation of investment in Squaw Creek Associates	(3,288)	(31,449)
(Increase)/decrease in inventories	(4,545)	3,911
(Increase)/decrease in debtors and prepayments	(9,224)	5,703
Increase in creditors and accrued charges	903	6,174
(Decrease)/increase in rental deposits received	(911)	2,633
Decrease in amounts due to related parties	—	(15)
Revaluation (surplus)/deficit on investment properties	(3,285)	3,285
	<u>25,240</u>	<u>15,306</u>
Net cash inflow from operating activities	<u>25,240</u>	<u>15,306</u>

Consolidated Cash Flow Statement *(Continued)*

For the year ended 31st December, 2001

Notes to Consolidated Cash Flow Statement *(Continued)*

(b) Purchase of subsidiaries

	2000 HK\$'000
Net assets acquired:	
Fixed assets	6,391
Inventories	3,597
Trade and other receivables	1,532
Cash at bank and in hand	3
Trade and other payables	(2,192)
Bank loans and overdrafts	(2,724)
Deferred taxation	(82)
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	6,525
Goodwill arising on consolidation	2,197
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	8,722
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Satisfied by: cash paid	8,722
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Subsidiaries acquired in 2000 contributed HK\$6,067,000 to the Group's net operating cash flows, paid HK\$82,000 in respect of taxation and utilised HK\$93,000 for investing activities.

(c) Analysis of net outflow of cash and cash equivalents in respect of the purchase of the subsidiaries

	2000 HK\$'000
Cash consideration	(8,722)
Cash at bank and in hand acquired	3
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Net outflow of cash and cash equivalents in respect of the purchase of subsidiaries	(8,719)
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Consolidated Cash Flow Statement (Continued)

For the year ended 31st December, 2001

Notes to Consolidated Cash Flow Statement (Continued)

(d) Analysis of changes in financing during the year

	Share capital (including premium) HK\$'000	Long term bank loans HK\$'000	Short term bank loans HK\$'000	Obligations under finance leases HK\$'000	Advances from directors HK\$'000	Advances from shareholders HK\$'000	Amounts due to related companies/ parties HK\$'000
Balance at 1st January, 2000	174,473	44,356	239,193	1,598	49,554	15,306	10,227
Additions through acquisition of subsidiaries	—	—	2,724	—	—	—	—
Net cash inflow/(outflow) from financing	1,954	23,141	(73,889)	(1,507)	—	30,000	(2,496)
Balance at 31st December, 2000	<u>176,427</u>	<u>67,497</u>	<u>168,028</u>	<u>91</u>	<u>49,554</u>	<u>45,306</u>	<u>7,731</u>
Balance at 1st January, 2001	176,427	67,497	168,028	91	49,554	45,306	7,731
Inception of finance leases	—	—	—	1,476	—	—	—
Net cash inflow/(outflow) from financing	56	(16,315)	(10,987)	(166)	—	1,000	(1,435)
Balance at 31st December, 2001	<u>176,483</u>	<u>51,182</u>	<u>157,041</u>	<u>1,401</u>	<u>49,554</u>	<u>46,306</u>	<u>6,296</u>

(e) Analysis of the balances of cash and cash equivalents

	2001 HK\$'000	2000 HK\$'000
Cash at bank and in hand	6,417	7,377
Bank overdrafts and advances repayable within three months from the date of the advance	<u>(112,804)</u>	<u>(63,773)</u>
	<u>(106,387)</u>	<u>(56,396)</u>