

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2002

	2002 HK\$'000	2001 HK\$'000 <i>(Restated)</i>
CASH FLOW FROM OPERATING ACTIVITIES		
Loss from operating activities	(35,220)	(34,403)
Adjustments for		
Depreciation of fixed assets	640	874
Impairment loss on fixed assets	59	—
Interest income	(2,522)	(6,439)
Dividend income from long term unlisted investments	—	(316)
Dividend income from marketable securities	(37)	(147)
Write-back of long outstanding payables	(990)	(4,793)
Unrealized loss/(gain) on changes in fair values of marketable securities	814	(381)
Gain on disposal of fixed assets	(283)	(5)
Gain on disposal of marketable securities	(794)	(1,407)
Provision for doubtful debts	20,569	10,239
Provision against amounts due from jointly-controlled entities	—	4,177
Write off of amount due from jointly-controlled entities	—	1,831
Provision for impairment of a golf club membership	350	105
Write-off and impairment of long term unlisted investments	—	299
Revaluation deficit on investment properties	1,100	14,699
Negative goodwill recognized on write-off of investment in a subsidiary	—	(23)
Operating loss before working capital changes	(16,314)	(15,690)
Decrease/(increase) in inventories	888	(888)
(Increase)/decrease in trade and bills receivables	(319)	171,777
Decrease in trade receivables due from jointly-controlled entities	—	33,827
(Increase)/decrease in other receivables	(11,790)	9,397
Decrease in other payables and accruals	(11,843)	(20,058)
Decrease in deferred income	(62)	(990)
Cash (used in)/generated from operations	(39,440)	177,375
Interest received	2,477	6,439
Interest paid	(12)	(4,710)
Dividend received from long term unlisted investment	—	316
Dividend received from investments in marketable securities	37	147
Profits tax refunded	485	286
Profits tax paid	(238)	(3,028)
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	(36,691)	176,825

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2002

	2002	2001
	HK\$'000	HK\$'000
		<i>(Restated)</i>
INVESTING ACTIVITIES		
Increase in investment of a jointly-controlled entity	(24,266)	(19,174)
Purchases of fixed assets	(845)	(22)
Purchases of marketable securities	(7,415)	—
Proceeds on disposal of marketable securities	3,921	2,722
Proceeds on disposal of fixed assets	2,226	5
Proceeds on disposal of investment properties	21,080	—
Decrease in pledged time deposits	18,444	12,609
Decrease in investment in an associate	688	1,132
(Increase)/decrease in amounts due from jointly-controlled entities	(773)	689
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NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	13,060	(2,039)
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FINANCING ACTIVITIES		
Repayment of bank loans	—	(4,110)
Loans from a director	—	43,726
Repayment of loans from a director	—	(43,726)
Increase in long term other receivables	—	(280)
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NET CASH OUTFLOW FROM FINANCING ACTIVITIES	—	(4,390)
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(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(23,631)	170,396
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CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	75,532	(94,864)
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CASH AND CASH EQUIVALENTS AT END OF YEAR	51,901	75,532
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ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Time deposit	50,057	71,641
Cash at banks and in hand	1,844	3,891
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	51,901	75,532
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The notes on pages 26 to 58 form an integral part of these financial statements.