

# Consolidated Cash Flow Statement

Year ended 31 December 2002

	Notes	2002 HK\$	2001 HK\$ (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>15,270,132</b>	21,160,082
Adjustments for:			
Finance costs	10	<b>58,539</b>	922,853
Bank interest income	5	<b>(3,686,117)</b>	(2,094,339)
Dividend income	5	<b>(6,323,289)</b>	(7,933,798)
Share of profits of jointly-controlled entities and an associate		<b>(26,626,703)</b>	(17,147,644)
Impairment provisions on long term investments		<b>6,286,190</b>	56,401,830
Provision for bad and doubtful debts		<b>119,400,000</b>	1,500,000
Write-back of prior years' accrued interest expenses on settlement of other loans and convertible note		<b>(12,000,000)</b>	(51,795,688)
Gain on cancellation of convertible note		<b>(92,000,000)</b>	-
Depreciation	7	<b>9,703,957</b>	9,836,346
Amortisation	7	<b>2,262,402</b>	2,182,022
Negative goodwill recognised as income for the year	36(d)	<b>(9,833)</b>	-
Gain on disposal of subsidiary and an unconsolidated subsidiary	6	<b>(19,224,728)</b>	(495,151)
Loss on disposal of long term investments		<b>342,590</b>	-
Loss on disposal of fixed assets	7	<b>280,983</b>	19,695
Operating profit/(loss) before working capital changes		<b>(6,265,877)</b>	12,556,208
Increase in long term receivable		<b>(6,824,089)</b>	-
Increase in short term investments		<b>(22,767,754)</b>	(4,537,722)
Decrease/(increase) in accounts receivable		<b>56,720,763</b>	(72,097,137)
Decrease/(increase) in loans and advances		<b>(36,817,165)</b>	211,688,190
Decrease in deposits, prepayments and other receivables		<b>735,021</b>	7,855,694
Decrease/(increase) in bank balances held on behalf of customers		<b>20,655,815</b>	(249,803,164)
Increase/(decrease) in accounts payable		<b>(87,418,145)</b>	303,259,895
Increase/(decrease) in other payables and accruals		<b>605,368</b>	(29,145,314)
Cash generated from/(used in) operations		<b>(81,376,063)</b>	179,776,650
Interest received		<b>3,686,117</b>	2,094,339
Dividend received from listed and unlisted equity investments		<b>6,323,289</b>	7,933,798
Interest paid		<b>(58,539)</b>	(922,853)
Dividend received from a jointly-controlled entity		<b>44,920,146</b>	32,474,100
Hong Kong profits tax refunded/(paid)		<b>(3,344,578)</b>	200,376
Net cash inflow/(outflow) from operating activities - page 27		<b>(29,849,628)</b>	221,556,410

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Year ended 31 December 2002

	<i>Notes</i>	<b>2002</b> <b>HK\$</b>	2001 <i>HK\$</i> <i>(Restated)</i>
Net cash inflow/(outflow) from operating activities – page 26		<b>(29,849,628)</b>	221,556,410
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of an associate		-	(487,569)
Acquisition of a Stock Exchange trading right		-	(3,711,294)
Decrease/(increase) in other assets		<b>124,765</b>	(100,000)
Purchases of fixed assets	15	<b>(4,383,972)</b>	(7,623,309)
Proceeds from disposal of long term investments		<b>1,119,410</b>	-
Proceeds from disposal of subsidiaries	36(c)	<b>49,726,652</b>	840,151
Acquisition of a subsidiary	36(d)	<b>552,018</b>	-
Proceeds from disposal of fixed assets		<b>5,000</b>	4,398
Net cash inflow/(outflow) from investing activities		<b>47,143,873</b>	(11,077,623)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issue of shares	33	<b>5,500,000</b>	240,000
Payment on cancellation of convertible note	32	<b>(40,000,000)</b>	-
New bank loans		<b>140,000,000</b>	45,000,000
Repayment of bank loans		<b>(45,255,796)</b>	(119,970,634)
Repayment of other loans		<b>(56,000,000)</b>	(60,907,555)
Repayment of loan from a related party		<b>(20,000,000)</b>	-
Dividend paid		<b>(5,197,591)</b>	-
Net cash outflow from financing activities		<b>(20,953,387)</b>	(135,638,189)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<b>(3,659,142)</b>	74,840,598
Cash and cash equivalents at beginning of year		<b>36,358,904</b>	(38,481,694)
CASH AND CASH EQUIVALENTS AT END OF YEAR		<b>32,699,762</b>	36,358,904
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Bank balances	27	<b>12,724,999</b>	51,466,005
Time deposits with original maturity of less than three months when acquired	27	<b>22,424,651</b>	23,006,597
Bank overdrafts	30	<b>(2,449,888)</b>	(38,113,698)
		<b>32,699,762</b>	36,358,904