

# Consolidated Cash Flow Statement

For the year ended 31 December 2002

	2002 HK\$	2001 HK\$
<b>OPERATING ACTIVITIES</b>		
Loss before taxation	(29,124,543)	(46,746,332)
Adjustments for:		
Interest income	(13,747,828)	(18,468,692)
Dividend income	(258,957)	(734,858)
Provision for doubtful debts	1,865,025	2,627,961
Provision for compensation for early termination of lease	1,930,215	—
Deposits written off	48,032	—
Doubtful debts written back	(210,000)	(389,114)
Interest expenses	259,861	1,477,048
Depreciation	4,173,017	4,070,030
Amortisation of trading rights	1,292,255	232,574
Gain on disposal of interest in a subsidiary	(12,002)	—
Loss on disposal of fixed assets	3,788,364	—
Impairment losses on investment securities	—	27,132,781
Reversal of impairment losses on investment security	(474,368)	—
Unrealised loss on revaluation of other investments	9,559	16,067
Realised gain on disposal of other investments and futures trading	(1,893,545)	(280,463)
<b>Operating loss before changes in working capital</b>	<b>(32,354,915)</b>	<b>(31,062,998)</b>
Decrease in statutory deposits	71,510	140,000
(Increase)/decrease in trade receivables	(107,522,773)	50,033,421
Decrease in other debtors, deposits and prepayments	3,227,283	199,726
Decrease/(increase) in bank balances - trust and segregated accounts	61,718,819	(27,582,551)
(Decrease)/increase in trade payables	(53,332,704)	9,598,559
Increase/(decrease) in other payables and accruals	3,757,988	(873,461)
Increase in amount due to a related company	2,334,173	—
Cash (used in)/generated from operations	(122,100,619)	452,696
Interest received	9,047,415	18,468,692
Interest paid	(259,861)	(1,477,048)
Hong Kong profits tax paid	(6,311)	(840,190)
Hong Kong profits tax refunded	—	368,568
Net cash (used in)/generated from operating activities	<b>(113,319,376)</b>	<b>16,972,718</b>

# Consolidated Cash Flow Statement *(Continued)*

For the year ended 31 December 2002

	2002 HK\$	2001 HK\$
<b>INVESTING ACTIVITIES</b>		
Dividend received	258,957	734,858
Purchase of other investments	(1,209,854)	(36,814,906)
Purchase of trading rights	—	(3,200,000)
Purchase of fixed assets	(6,772,013)	(2,505,657)
Proceeds on disposal of investment securities	4,574,057	—
Proceeds on disposal of other investments	44,804,536	20,598,011
Proceeds on disposal of fixed assets	71,000	—
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Net cash generated from/(used in) investing activities	41,726,683	(21,187,694)
<b>FINANCING ACTIVITY</b>		
Dividends paid	—	(16,986,090)
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Cash used in financing activity	—	(16,986,090)
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DECREASE IN CASH AND CASH EQUIVALENTS	(71,592,693)	(21,201,066)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	89,629,611	110,830,677
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CASH AND CASH EQUIVALENTS AT 31 DECEMBER	<u>18,036,918</u>	<u>89,629,611</u>
Cash and cash equivalents represented by:		
— Cash and bank balances - general accounts	26,902,343	89,629,611
— Bank overdrafts	(8,865,425)	—
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	<u>18,036,918</u>	<u>89,629,611</u>