

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2002

Note	2002 HK\$	2001 HK\$
<b>OPERATING ACTIVITIES</b>		
Loss from operations	<b>(62,255,335)</b>	(47,602,372)
Adjustments for:		
Depreciation	<b>7,369,344</b>	15,634,546
Loss (profit) on disposal of property, plant and equipment	<b>24,178</b>	(68,514)
Loss on disposal of investment properties	<b>737,902</b>	–
Impairment loss on investments in securities	<b>30,358,368</b>	33,100,000
Impairment loss on property, plant and equipment	<b>24,751,626</b>	914,058
Unrealised holding loss on other investments	<b>1,453,041</b>	1,881,072
Operating cash flows before movements in working capital	<b>2,439,124</b>	3,858,790
Increase in inventories	<b>(2,906,016)</b>	(778,707)
Decrease in properties under development for sale	<b>423,067</b>	4,727,239
Decrease in investments in securities	<b>813,779</b>	5,385,851
Decrease in trade and other receivables	<b>5,723,010</b>	8,311,378
(Increase) decrease in amount due from an associate	<b>(324,814)</b>	5,073,424
(Decrease) increase in trade and other payables	<b>(8,327,738)</b>	1,860,892
Increase in amount due to a jointly controlled entity	<b>298,389</b>	–
Increase in amounts due to directors	<b>15,494,373</b>	4,868,790
Increase (decrease) in amounts due to related companies	<b>869,281</b>	(403,400)
Effect of foreign exchange rate changes	<b>4,329,190</b>	(2,885,323)
Cash generated from operations	<b>18,831,645</b>	30,018,934
Overseas tax (paid) refunded	<b>(1,101,003)</b>	521,065
Hong Kong Profits Tax paid	<b>(399,000)</b>	(489,300)
Finance charges on obligations under finance leases	<b>(79,374)</b>	(24,825)
Interest paid	<b>(14,643,402)</b>	(15,660,081)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>2,608,866</b>	14,365,793

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<b>INVESTMENT ACTIVITIES</b>		
Proceeds on disposal of property, plant and equipment	4,778	283,900
Proceeds on disposal of investment properties	5,229,934	–
Net cash inflow (outflow) from disposal of subsidiaries	37 440,181	(9,991)
Acquisition of property, plant and equipment	(1,440,569)	(1,429,944)
(Increase) decrease in pledged bank deposits	(4,068,724)	18,016,670
Acquisition of investments in associates	–	(3,313,203)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>165,600</b>	<b>13,547,432</b>
<b>FINANCING ACTIVITIES</b>		
Dividend paid to minority shareholders	(2,503,078)	(1,250,153)
Repayment of bank borrowings	(20,964,170)	(65,050,291)
Repayment of obligations under finance leases	(478,602)	(97,935)
New bank borrowings raised	20,951,496	46,171,166
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(2,994,354)</b>	<b>(20,227,213)</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(219,888)</b>	<b>7,686,012</b>
<b>CASH AND CASH EQUIVALENTS AT 1ST JANUARY</b>	<b>8,767,463</b>	<b>2,092,288</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>1,178</b>	<b>(1,010,837)</b>
<b>CASH AND CASH EQUIVALENTS AT 31ST DECEMBER</b>	<b>8,548,753</b>	<b>8,767,463</b>
<b>ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS</b>		
Bank balances and cash	8,548,753	12,890,402
Bank overdrafts	–	(4,122,939)
	<b>8,548,753</b>	<b>8,767,463</b>