

Consolidated Cash Flow Statement

For the Year Ended 31st December, 2002

	<i>NOTE</i>	2002 <i>HK\$</i>	2001 <i>HK\$</i> (restated)
OPERATING ACTIVITIES			
Profit from ordinary activities before taxation		50,529,046	5,747,113
Adjustments for:			
Interest expenses		5,326,286	3,192,236
Bond issue expenses amortised		13,692	2,976
Interest income		(4,178,646)	(6,766,324)
Dividend income		(744,457)	(687,788)
Share of results of associates		(3,563,160)	7,491,337
Unrealised holding loss (gain) on trading securities		1,423,693	(1,936,976)
Impairment loss on other securities		782,600	138,000
Release of negative goodwill to income		(1,841,717)	–
Depreciation of property, plant and equipment		3,206,573	1,117,160
Gain on disposal of an associate		(93,429)	–
Gain on disposal of property, plant and equipment		–	(87,801)
Interest receivable from an associate not recognised		–	1,777,215
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Operating cash flows before movements in working capital		50,860,481	9,987,148
(Increase) decrease in inventories		(76,207)	17,046
Decrease in properties for sale		70,652,730	–
Increase in investments in securities		(3,526,374)	(116,883)
Decrease (increase) in trade and other receivables, deposits and prepayments		351,439	(1,127,347)
Increase in trade balance due from a shareholder		(124,985)	(47,500)
Increase (decrease) in trade and other payables and rental and other deposits received		8,606,548	(65,843,351)
Decrease in amount due to an associate		–	(5,123,826)
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Cash generated from (used in) operations		126,743,632	(62,254,713)
Hong Kong Profits Tax paid		(2,323,573)	(2,884,554)
Interest received		4,178,646	6,766,324
Dividend received		744,457	687,788
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NET CASH GENERATED FROM (USED IN)			
OPERATING ACTIVITIES		129,343,162	(57,685,155)
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INVESTING ACTIVITIES			
Decrease in pledged bank deposits		2,757,055	18,596,426
Purchase of property, plant and equipment		(12,632,760)	(5,182,255)
Proceeds from disposal of property, plant and equipment		–	90,000
Proceeds from disposal of an associate		1	–
Expenditure on property under development		(15,602,069)	(1,081,508)
Repayment from associates		6,300,000	85,440,735
Advances to associates		–	(750,000)
Acquisition of a subsidiary (net of cash and cash equivalents acquired)	25	–	5,707,192
Subscription of convertible bonds issued by a former associate		–	(94,404,207)
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NET CASH (USED IN) GENERATED FROM INVESTING			
ACTIVITIES		(19,177,773)	8,416,383
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Consolidated Cash Flow Statement (Continued)

For the Year Ended 31st December, 2002

	2002 HK\$	2001 HK\$ (restated)
FINANCING ACTIVITIES		
(Repayment to) advance from a director	(42,075,142)	968,787
Repayment to a shareholder	(10,509,176)	(3,899,472)
Repayment of bank loan	(46,509,434)	–
New bank loan raised	–	58,716,980
Interest paid	(6,108,585)	(3,388,002)
	<u>(105,202,337)</u>	<u>52,398,293</u>
NET CASH (USED IN) GENERATED FROM FINANCING ACTIVITIES	(105,202,337)	52,398,293
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,963,052	3,129,521
CASH AND CASH EQUIVALENTS AT 1ST JANUARY	4,947,396	1,817,875
CASH AND CASH EQUIVALENTS AT 31ST DECEMBER	9,910,448	4,947,396
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as previously reported		(60,435,424)
Reclassifications		
Pledged bank deposits		(5,617,180)
Bank loans		71,000,000
		<u>4,947,396</u>
Cash and cash equivalents as restated		<u>4,947,396</u>
Being:		
Bank balances and cash	9,910,448	6,139,273
Bank overdrafts	–	(1,191,877)
	<u>9,910,448</u>	<u>4,947,396</u>