

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		50,050,226	6,874,501
Adjustments for:			
Interest expenses		4,743,562	1,297,136
Bond issue expenses amortised		13,692	2,976
Interest income		(4,178,646)	(2,440,482)
Dividend income		(744,457)	(687,788)
Share of results of associates		(3,564,903)	239,544
Unrealised holding loss (gain) on trading securities		1,436,153	(1,922,866)
Impairment loss on other securities		782,600	138,000
Release of negative goodwill to income		(1,559,139)	–
Depreciation of property, plant and equipment		3,206,573	1,033,375
Gain on disposal of property, plant and equipment		–	(87,801)
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Operating cash flows before movements in working capital		50,185,661	4,446,595
(Increase) decrease in inventories		(76,207)	17,046
Decrease in properties for sale		70,652,730	–
Increase in investments in securities		(3,526,374)	(116,884)
Decrease in trade and other receivables, deposits and prepayments		157,250	1,510,435
Increase (decrease) in trade and other payables and rental and other deposits received		8,698,508	(65,027,228)
Decrease in amount due to an associate		–	(4,334,772)
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Cash generated from (used in) operations		126,091,568	(63,504,808)
Hong Kong Profits Tax paid		(2,326,494)	(2,619,905)
Interest received		4,178,646	2,440,482
Dividend received		744,457	687,788
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NET CASH GENERATED FROM (USED IN)			
OPERATING ACTIVITIES		128,688,177	(62,996,443)
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INVESTING ACTIVITIES			
Decrease in pledged bank deposits		2,757,055	9,186,062
Proceeds from disposal of property, plant and equipment		–	90,000
Expenditure on property under development		(15,602,069)	(1,081,508)
Purchase of property, plant and equipment		(12,632,760)	(5,161,805)
Repayment from associates		6,300,000	1,174,757
Advances to associates		–	(750,000)
Acquisition of a subsidiary (net of cash and cash equivalents acquired)	25	–	6,707,778
Acquisition of additional interest in a subsidiary		–	(292,250)
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Consolidated Cash Flow Statement (Continued)

For the Year Ended 31st December, 2002

	2002 HK\$	2001 HK\$ (restated)
NET CASH (USED IN) GENERATED FROM INVESTING ACTIVITIES	(19,177,774)	9,873,034
FINANCING ACTIVITIES		
(Repayment to) advance from a director	(52,285,755)	659,317
New bank loan raised	–	58,716,980
Repayment of bank loan	(46,509,434)	–
Interest paid	(5,525,861)	(1,492,902)
NET CASH (USED IN) GENERATED FROM FINANCING ACTIVITIES	(104,321,050)	57,883,395
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,189,353	4,759,986
CASH AND CASH EQUIVALENTS AT 1ST JANUARY	4,727,472	(32,514)
CASH AND CASH EQUIVALENTS AT 31ST DECEMBER	9,916,825	4,727,472
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as previously reported		(60,655,348)
Reclassifications		
Pledged bank deposits		(5,617,180)
Bank loans		71,000,000
Cash and cash equivalents as restated		4,727,472
Being:		
Bank balances and cash	9,916,825	6,141,159
Bank overdrafts	–	(1,413,687)
	9,916,825	4,727,472