

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2002

	2002 HK\$'000	2001 HK\$'000
OPERATING ACTIVITIES		
Loss before taxation	(137,340)	(75,164)
Adjustments for:		
Deficit arising from revaluation of investment properties	55,745	—
Depreciation of property, plant and equipment	3,264	2,697
Loss on disposal of property, plant and equipment	1,480	4,015
Loss on other investment written off	—	1,774
Allowance for accounts receivable	4,190	—
Allowance for loan receivable	5,000	—
Interest income	(1,247)	(47)
Interest expenses	26,739	16,433
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Operating cash flows before movements in working capital	(42,169)	(50,292)
Decrease in completed property for sale	—	45,623
Increase in property under development for sale	(86,129)	(61,368)
(Increase) decrease in prepayments and other receivables	(44,967)	21,398
Increase in amount due from a former director	(986)	—
Increase in amounts due from former related companies	(7,009)	—
Decrease in instalment contract receivables	3,886	5,257
Decrease (increase) in accounts receivable	16,146	(1,535)
Increase in restricted bank balances	(23,434)	—
Increase in taxes payable	1,684	1,877
Increase in accruals and other payables	58,157	15,152
Increase in advances from customers	22,767	2,578
Increase in accounts payable	29,444	6,410
Decrease in amounts due to former related companies	(2,772)	—
Increase in land development cost payable	13,428	—
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NET CASH USED IN OPERATING ACTIVITIES	(61,954)	(14,900)
INVESTING ACTIVITIES		
Interest received	1,247	47
Additions to investment properties	—	(4,780)
Purchase of property, plant and equipment	(681)	(413)
Proceeds from disposal of property, plant and equipment	512	1,831
(Increase) decrease of restricted cash	(3)	81
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NET CASH FROM (USED IN) INVESTING ACTIVITIES	1,075	(3,234)

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for the year ended 31 December 2002

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FINANCING ACTIVITIES		
Interest paid	(27,829)	(22,600)
Issue of new shares	—	18,403
Drawdown of bank loans	50,420	242,762
Repayment of bank loans	(156,047)	(30,538)
Repayment of obligations under finance leases	(92)	(100)
Advance from a related company	—	507
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NET CASH (USED IN) FROM FINANCING ACTIVITIES	(133,548)	208,434
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(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(194,427)	190,300
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	196,306	6,006
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CASH AND CASH EQUIVALENTS, END OF YEAR		
Bank balances and cash	1,879	196,306
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