

# CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2002

	Note	2002 HK\$'000	2001 HK\$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss)/profit before tax		<b>(130,762)</b>	21,992
Adjustments for:			
Finance costs		5,203	4,487
Share of profits and losses of associates		66,575	6,433
Interest income from loans receivable		(7,670)	(2,439)
Bank interest income		(102)	(463)
Depreciation		3,617	3,929
Profit on sale of short term investments		(58)	-
(Gain)/loss on disposal of fixed assets, net		(33)	199
Surplus on revaluation of investment properties		-	(220)
Gain on disposal of subsidiaries	39(c)	-	(22,092)
Gain on partial disposal of an interest in an associate		(3,569)	-
Amortisation of goodwill		3,938	3,791
Impairment of goodwill		3,512	-
Negative goodwill recognised as income		(749)	(140)
Amortisation of intangible assets		222	717
Impairment of a long term investment		18,030	-
Provision for doubtful debts		792	574
Write-off of amounts due from associates		3,847	-
Write-down in values of properties held for sale		2,000	-
Unrealised losses on revaluation of short term listed investments		-	23
Loss on deemed disposal of an interest in a subsidiary		1,822	-
Loss on deemed disposal of an interest in an associate		-	150
Operating (loss)/profit before changes in working capital		<b>(33,385)</b>	16,941
Decrease/(increase) in inventories		1,170	(1,791)
Decrease in properties held for sale		12,064	1,074
Increase in trade receivables		(4,888)	(23,625)
Decrease in trade receivables in respect of securities transactions		141	2,602
Increase in loans receivable		(113,697)	(33,061)
Decrease/(increase) in other receivables		3,045	(16,506)
Increase in trade and bill payables		2,972	22,169
Decrease in trade payables in respect of securities transactions		(948)	(1,131)
Decrease in other payables and accruals		(7,434)	(3,876)
Cash used for operations		<b>(140,960)</b>	(37,204)
Interest income from loans receivable		7,396	2,439
Hong Kong profits tax paid		(592)	(453)
Overseas taxes paid		-	(383)
Net cash used for operating activities		<b>(134,156)</b>	(35,601)

# CONSOLIDATED CASH FLOW STATEMENT (continued)

YEAR ENDED 31 DECEMBER 2002

	Notes	2002 HK\$'000	2001 HK\$'000 (Restated)
Net cash used for operating activities		<b>(134,156)</b>	<b>(35,601)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed assets		(1,140)	(806)
Proceeds from disposal of fixed assets		38	324
Additions to investment properties		(860)	–
Additions to properties under development		(15,034)	(172,588)
Acquisition of subsidiaries	39(b)	25	(2,241)
Disposal of subsidiaries	39(c)	(4,544)	338
Purchase of an additional interest in a subsidiary	39(d)	–	(142)
Additions to long term deposits		–	(31,080)
Acquisitions of associates		(24)	(40,520)
Advances to associates		(3,838)	(9)
Decrease/(increase) in client bank trust account		52	(65)
Bank interest received		102	463
Proceeds from partial disposal of an interest in an associate		2,381	–
Proceeds from sale of short term investments		196	–
Net cash outflow from investing activities		<b>(22,646)</b>	<b>(246,326)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest element on finance lease rental payments		(11)	(2)
Interest paid		(12,644)	(4,485)
Proceeds from issue of share capital		125,479	206,199
Share issue expenses		(996)	(1,252)
Repurchase of share capital		(34)	–
Capital element of finance lease rental payments		(95)	(28)
New interest-bearing bank loans and other borrowings		41,150	112,200
Repayment of bank loans and other borrowings		(11,911)	(27,942)
Repayment to minority interests		(3,870)	–
Net cash inflow from financing activities		<b>137,068</b>	<b>284,690</b>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		<b>(19,734)</b>	<b>2,763</b>
Cash and cash equivalents at beginning of year		14,165	14,641
Effect of foreign exchange rate changes, net		785	(3,239)
CASH AND CASH EQUIVALENTS AT END OF YEAR		<b>(4,784)</b>	<b>14,165</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		2,207	15,076
Time deposits with original maturity of less than three months when acquired, pledged as security for bank overdraft facilities		4,522	24,011
Bank overdrafts, secured		(11,513)	(24,922)
		<b>(4,784)</b>	<b>14,165</b>