

# Consolidated Cash Flow Statement

For the year ended 31st December, 2002

	2002 HK\$	2001 HK\$ (restated)
<b>OPERATING ACTIVITIES</b>		
Loss from operations	<b>(82,140,098)</b>	(41,374,863)
Adjustments for:		
Amortisation and estimated irrecoverable amount on real estate project costs written back	—	(4,697,017)
Amount due from an associate written back	—	(468,000)
Allowance for bad debt written back	<b>(854,339)</b>	(167,604)
Allowance for doubtful loans and bad debts	<b>3,453,521</b>	21,259,501
Impairment loss recognised in respect of properties held for development	<b>36,166,581</b>	—
Impairment loss recognised in respect of other asset	<b>1,535,000</b>	—
Impairment loss recognised in respect of investment securities	<b>1,500</b>	920,773
Provision for shortfall of insurance claim relating to litigation settled in 2001	—	2,300,000
Depreciation of property, plant and equipment	<b>2,243,875</b>	2,241,583
Amortisation of intangible assets	<b>750,000</b>	—
Loss on disposal of investment securities	—	7,049
Loss on disposal of property, plant and equipment	<b>257,404</b>	419,841
Dividend income from investment securities	<b>(647,127)</b>	(29,569)
Interest income	<b>(2,311,545)</b>	(4,467,921)
Exchange differences arising on consolidation	<b>(18,192)</b>	906,130
Operating cash flows before movements in working capital	<b>(41,563,420)</b>	(23,150,097)
Decrease (increase) in properties held for development	<b>28,066,268</b>	(6,101,500)
Decrease in loans receivable	<b>4,565,108</b>	—
Decrease in accounts receivable	<b>26,904,578</b>	48,456,911
Decrease (increase) in deposits and prepayments	<b>1,238,429</b>	(6,272)
Decrease in investment securities	—	1,276,934
Decrease (increase) in bank balances		
— trust and segregated accounts	<b>54,714,454</b>	(11,681,691)
(Decrease) increase in accounts payable	<b>(96,586,483)</b>	41,331,449
Increase (decrease) in other payables and accrued charges	<b>2,390,027</b>	(5,574,006)
(Decrease) increase in amounts due to Directors	<b>(200,000)</b>	1,712,014
Cash (used in) generated from operations	<b>(20,471,039)</b>	46,263,742
Hong Kong profits tax paid	—	(100,686)
The People's Republic of China tax paid	<b>(2,211,293)</b>	(576,433)
Hong Kong profits tax refunded	—	1,288,579
Dividend received from investment securities	<b>647,127</b>	29,569
Interest received	<b>2,311,545</b>	4,467,921
<b>NET CASH (USED IN) FROM OPERATING ACTIVITIES</b>	<b>(19,723,660)</b>	51,372,692



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<b>INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	<b>(49,679)</b>	(1,437,562)
Proceeds from disposal of plant and equipment	<b>46,226</b>	178,820
Proceeds from disposal of investment securities	—	32,567
Proceeds from disposal of intangible asset	<b>2,500,000</b>	—
Refund of statutory deposits	<b>145,000</b>	175,000
Advance from an associate	<b>17,366</b>	100,134
	<b>2,658,913</b>	(951,041)
<b>FINANCING ACTIVITIES</b>		
Cash proceeds from (repayment of) loans payable	<b>39,243,756</b>	(7,519,506)
Interest paid	<b>(6,773,553)</b>	(11,490,465)
Cash (paid to) contributed by a minority shareholder	<b>(365,383)</b>	194,034
Repayments of obligation under finance leases	<b>(134,841)</b>	(1,187,223)
Repayments of bank loans and overdrafts	<b>(30,680,738)</b>	(35,589,816)
Cash proceeds from shares issued	<b>26,165,840</b>	—
	<b>27,455,081</b>	(55,592,976)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>10,390,334</b>	(5,171,325)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>10,071,869</b>	15,243,194
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>20,462,203</b>	10,071,869
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents as previously reported		67,219,120
Effect of reclassification of bank balances		(90,510,644)
— trust and segregated accounts		33,363,393
Effect of reclassification of bank loans and overdrafts		—
Cash and cash equivalents as restated		10,071,869
Bank balances (general accounts) and cash	<b>20,462,203</b>	10,071,869

