

# Consolidated Cash Flow Statement

For the year ended 31st December, 2002

|                                                                                                                                                                   | 2002<br>HK\$'000 | 2001<br>HK\$'000 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                                                                                       |                  |                  |
| Loss before taxation                                                                                                                                              | (806,693)        | (672,168)        |
| Share of loss of associates                                                                                                                                       | –                | 832              |
| Adjustments for:                                                                                                                                                  |                  |                  |
| Unreconciled item                                                                                                                                                 | (1,301)          | –                |
| Interest income                                                                                                                                                   | (24)             | (1,874)          |
| Interest expense less amount capitalised                                                                                                                          | 53,510           | 54,591           |
| Depreciation and impairment loss of properties and equipment                                                                                                      | 38,432           | 9,450            |
| Net gain on disposal of properties and equipment                                                                                                                  | (466)            | (3,304)          |
| Net gain on disposal of subsidiaries                                                                                                                              | (24,755)         | (23,125)         |
| Impairment losses of investment properties, development properties and completed properties for sale and loss on disposal/impairment loss of long term investment | 756,946          | 254,402          |
| Loss on investment in securities                                                                                                                                  | –                | 39               |
| Provision for advances to associates                                                                                                                              | –                | 3,180            |
| Loss on disposal of development properties                                                                                                                        | –                | 352,216          |
| Loss (Gain) on disposal of investment properties                                                                                                                  | 1,048            | (3,957)          |
| Investment in a joint venture written off                                                                                                                         | 2,810            | –                |
| Loan waived by a former director                                                                                                                                  | (48,000)         | –                |
| Proceeds from disposal of completed properties for sale                                                                                                           | –                | 9,786            |
| Loss on disposal of completed properties for sale                                                                                                                 | –                | 2,600            |
| <b>Operating loss before working capital changes</b>                                                                                                              | <b>(28,493)</b>  | <b>(17,332)</b>  |
| Decrease in loans and other receivables                                                                                                                           | 26,740           | 286,941          |
| Decrease in inventories                                                                                                                                           | 39               | 1,507            |
| Decrease in trade receivables                                                                                                                                     | 4,842            | 9,481            |
| Decrease in prepayments and deposits                                                                                                                              | 3,810            | 2,228            |
| Decrease in trade payables                                                                                                                                        | (34,977)         | (10,651)         |
| (Decrease) Increase in accrued liabilities and other payables                                                                                                     | (19,620)         | 32,491           |
| Decrease in deferred income and deposits from customers                                                                                                           | (3,576)          | (65,887)         |
| <b>Cash (used in) generated from operations</b>                                                                                                                   | <b>(51,235)</b>  | <b>238,778</b>   |
| Interest received                                                                                                                                                 | 24               | 1,874            |
| Interest paid                                                                                                                                                     | (86,720)         | (80,755)         |
| Tax refund (paid)                                                                                                                                                 | 5,480            | (79)             |
| <b>Net cash (used in) generated from operating activities</b>                                                                                                     | <b>(132,451)</b> | <b>159,818</b>   |

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For the year ended 31st December, 2002

|                                                               | 2002<br>HK\$'000 | 2001<br>HK\$'000 |
|---------------------------------------------------------------|------------------|------------------|
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                   |                  |                  |
| Additions to properties and equipment                         | (4,561)          | (5,422)          |
| Additions to development properties                           | (82,594)         | (43,942)         |
| Proceeds from disposal of properties and equipment            | 500              | 5,161            |
| Proceeds from disposal of investment properties               | 3,800            | 37,510           |
| Proceeds from disposal of development properties              | –                | 230,000          |
| Proceeds from disposal of long-term investment                | –                | 5,000            |
| Proceeds from disposal of subsidiaries                        | 29,500           | 100,723          |
| Increase in investment in associates                          | –                | (3)              |
| Increase in advances to associates                            | –                | (4,117)          |
| Increase in investment in a joint venture                     | (2,810)          | –                |
| Decrease in amount due from an investee company               | –                | 145              |
| Proceeds from disposal of investment in securities            | –                | 54               |
| Effect of foreign exchange rate changes                       | –                | (298)            |
| <b>Net cash (used in) generated from investing activities</b> | <b>(56,165)</b>  | <b>324,811</b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |                  |                  |
| Increase in bank loans                                        | 123,499          | 77,021           |
| Repayment of bank loans                                       | (204,801)        | (566,788)        |
| Increase in loans payable                                     | 102,282          | 11,600           |
| Repayment of loans payable                                    | (97,855)         | –                |
| Increase in amount due to a former director                   | –                | 500              |
| Repayment of amount due to a former director                  | –                | (1,711)          |
| Increase in amount due to related companies                   | 31               | –                |
| Repayment of amount due to related companies                  | –                | (8,806)          |
| Increase in amount due to a director                          | 54,050           | –                |
| Repayment of amount due to a director                         | (2,245)          | –                |
| Increase in amount due to shareholders                        | 32,000           | –                |
| Capital element of finance lease rental payments              | (540)            | –                |
| Issue of shares                                               | 175,907          | –                |
| <b>Net cash generated from (used in) financing activities</b> | <b>182,328</b>   | <b>(488,184)</b> |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>              | <b>(6,288)</b>   | <b>(3,555)</b>   |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>         | <b>(5,889)</b>   | <b>(2,334)</b>   |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>               | <b>(12,177)</b>  | <b>(5,889)</b>   |
| <b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>  |                  |                  |
| Cash and bank balances                                        | 1,957            | 9,962            |
| Bank overdraft                                                | (14,134)         | (15,851)         |
|                                                               | <b>(12,177)</b>  | <b>(5,889)</b>   |