

## 22 Consolidated Cash Flow Statement

Year ended 31st December 2003

	Notes	2003 HK\$	2002 HK\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(11,522,244)	(21,839,210)
Adjustments for:			
Interest income	7	(2,536,918)	(3,855,405)
Dividend income from listed investments	7	(475,963)	(249,287)
Finance costs	8	7,199,732	7,504,116
Amortisation of intangible assets	7	505,910	505,910
Depreciation	7	425,924	892,019
Exchange losses, net	7	108,214	—
Gain on disposal of fixed assets	7	—	(72,044)
Loss/(gain) on disposal of listed equity investments	7	15,700	(44,344)
Write-off of fixed assets	7	5,328	—
Unrealised holding losses/(gains) on short term investments		(5,929,051)	1,582,797
Deficit on revaluation of investment properties		1,120,000	2,092,498
Provision for doubtful debts		671,693	3,062,561
Impairment of intangible assets		475,352	1,904,412
Operating loss before working capital changes		(9,936,323)	(8,515,977)
Decrease/(increase) in loans receivable		(6,482,696)	21,368,433
Decrease/(increase) in accounts receivable		(5,326,876)	3,500,630
Decrease/(increase) in prepayments and other debtors		(551,765)	1,567,327
Decrease/(increase) in short term investments		(15,700)	44,344
Decrease/(increase) in client trust bank accounts		(1,052,752)	7,608,573
Increase/(decrease) in accounts payable and accrued liabilities		9,863,878	(30,939,278)
Cash used in operations		(13,502,234)	(5,365,948)
Hong Kong profits tax paid		(78,104)	(21,632)
Interest received		2,536,918	3,855,405
Dividend received from listed investments		475,963	249,287
Interest paid		(7,199,732)	(7,504,116)
Net cash outflow from operating activities			
Continuing operations		(17,767,189)	16,971,730
Discontinued operations		—	(25,758,734)
Total		(17,767,189)	(8,787,004)

## Consolidated Cash Flow Statement (continued)

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Year ended 31st December 2003

	<i>Notes</i>	2003 HK\$	2002 HK\$
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed assets		(67,925)	(21,237)
Proceeds from disposal of fixed assets		—	72,044
Net cash inflow/(outflow) from investing activities		(67,925)	50,807
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of bank loans		(2,224,418)	(2,712,085)
Net cash outflow from financing activities — continuing operations		(2,224,418)	(2,712,085)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of year		26,258,430	37,706,712
Effect of foreign exchange rate changes, net		(7,838)	—
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>6,191,060</b>	<b>26,258,430</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	23	1,498,718	2,258,430
Bank overdrafts, secured	24	(307,658)	—
Non-pledged time deposits with original maturity of less than three months when acquired	23	—	19,000,000
Time deposits with original maturity of less than three months when acquired, pledged as securities for bank overdraft facility		5,000,000	5,000,000
		<b>6,191,060</b>	<b>26,258,430</b>