

Consolidated Cash Flow Statement

For the year ended 31 December 2002

	2002 HK\$'000	2001 HK\$'000 (restated)
Operating activities		
Loss before taxation	(177,450)	(354,996)
Adjustment for:		
Depreciation and amortisation expenses	18,948	28,282
Impairment losses of:		
– Property, plant and equipment	112,876	115,000
– Goodwill on consolidation of subsidiaries	28,343	4,783
– Interest in an associate	–	5,479
Release of negative goodwill to income	(1,517)	(208)
Net deficit arising on revaluation of investment properties	38,890	25,343
Interest expenses on bank and other borrowings	33,698	44,876
Interest on obligations under finance leases	45	49
Interest on convertible notes	4,818	4,489
Bank interest income	(266)	(1,346)
Loss on disposals of property, plant and equipment	2,804	650
Net provision for bad and doubtful debts	10,269	112,888
Net unrealised gain on trading securities	(58,181)	(4,295)
Provision for amount due from an associate	–	6,602
Interest income on other loan receivable	–	(75)
Loss on disposal of trading securities in exchange for subsidiaries	–	26,868
Share of results of associates	–	7,353
Net gain on disposal of interest in an associate	–	(103)
Loss on disposals of investment properties	1,258	2,520
Loss on disposal of other securities	–	21,619
Forfeiture of sale deposit received from disposal of interest in a subsidiary	–	(33,000)
Net gain on dilution of interest in a subsidiary	–	(1,269)
 Operating cash flows before movements in working capital	 14,535	 11,509
Decrease/(increase) in loans receivable	142,486	(276,221)
Increase in trade and other receivables	(120,372)	(139,966)
(Increase)/decrease in trading securities	(11,932)	18,614
Increase in trade and other payables	17,570	24,195
Decrease in amounts due to minority shareholders	–	(1,185)
Decrease in amount due to an associate	–	(57,542)
 Net cash from/(used in) operations	 42,287	 (420,596)
Tax (paid)/refunded		
Hong Kong Profits Tax paid	(1,399)	(4,286)
Hong Kong Profits Tax refunded	1,137	–
 Net cash from/(used in) operating activities	 42,025	 (424,882)

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	Notes	2002 HK\$'000	2001 HK\$'000 (restated)
Investing activities			
Purchase of interests in subsidiaries	33	(26,525)	271
Purchase of additional interests in subsidiaries		–	(5,500)
Purchase of trading right in The Hong Kong Futures Exchange Limited		–	(1,600)
Purchase of property, plant and equipment		(2,468)	(4,979)
Decrease in/(purchase of) other long term assets		17	(1,580)
Repayment of other loan receivable		–	2,000
Proceeds from disposals of property, plant and equipment		450	1,598
Proceeds from disposals of investment properties		25,382	18,480
Proceeds from disposal of other securities		–	19,768
Proceeds from disposal of interest in an associate		–	60,000
Increase in pledged bank deposits		(2,919)	(182)
Bank interest received		266	1,346
Interest received on other loan receivable		–	75
Net cash (used in)/from investing activities		(5,797)	89,697
Financing activities	34		
Issue of shares for cash		111,698	191,734
Increase in bank overdrafts		66,347	40,065
New other loans obtained		259,500	112,008
Issue of convertible notes		–	75,600
New bank loans obtained		–	22,000
Capital contribution by minority shareholders of a subsidiary		–	50,000
Repayment of other loans		(410,596)	(68,541)
Repayment of bank loans		(15,358)	(25,410)
Purchase of shares by a subsidiary from its minority shareholder		–	(45,000)
Expenses incurred on issue of shares		(4,982)	(981)
Repayment of obligations under finance leases		(118)	(190)
Interest paid on bank and other borrowings		(45,503)	(43,292)
Interest paid on convertible notes		(4,818)	(2,128)
Interest paid on obligations under finance leases		(45)	(49)
Net cash (used in)/from financing activities		(43,875)	305,816
Net decrease in cash and cash equivalents		(7,647)	(29,369)
Elimination on reclassification of a subsidiary as an associate		–	(11,447)
Cash and cash equivalents at 1 January		34,201	75,017
Cash and cash equivalents at 31 December	35	26,554	34,201

The accompanying notes form an integral part of these financial statements.