

Consolidated Cash Flow Statement

Year ended 31 December 2002

	Note	2002 HK\$'000	2001 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		(225,255)	21,172
Adjustments for:			
Finance costs	7	1,459	1,451
Interest income, excluding that derived from margin financing and money lending operations	6	(3,910)	(5,827)
Realisation of warrant subscription reserve		—	(63,050)
Deficit on revaluation of an investment property		18,500	—
Loss on disposal of long term investments	6	61,225	3,177
Impairment of long term investments	6	22,560	5,552
Decrease/(increase) in fair values of short term investments		13,807	(36,350)
Provisions for bad and doubtful debts		53,246	29,922
Depreciation	6	9,114	10,849
Loss on disposal of fixed assets	6	49	1,536
Amortisation of intangible assets	6	162	162
Exchange realignment, net		(21)	11
Operating loss before working capital changes		(49,064)	(31,395)
Decrease in short term investments		45,888	106,866
Decrease/(increase) in loans and advances		8,639	(31,390)
Increase in trade debtors		(32,143)	(1,218)
Decrease/(increase) in other debtors, prepayments and deposits		1,465	(1,112)
Decrease/(increase) in amount due from intermediate holding company		38,199	(14,400)
Decrease/(increase) in cash held on behalf of clients		39,919	(41,631)
Increase/(decrease) in client deposits		(43,791)	30,411
Increase in trade creditors		48,755	2,681
Increase in other creditors and accruals		489	1,257
Cash generated from operating activities		58,356	20,069
Interest received		3,910	5,827
Interest paid		(1,411)	(1,451)
Interest element of finance lease rental payments		(48)	—
Hong Kong profits tax paid		(585)	(2,009)
Overseas tax paid		(172)	(186)
Net cash inflow from operating activities		60,050	22,250

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Year ended 31 December 2002

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CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from disposal of fixed assets		23	355
Purchases of fixed assets		(2,434)	(10,888)
Decrease in other assets		53	350
Proceeds from disposal of long term investments		22,709	5,297
Net cash inflow/(outflow) from investing activities		20,351	(4,886)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	29	39	464
Repurchase of shares		(86)	(564)
Proceeds from issue of shares by a subsidiary to minority shareholders		—	2,115
Repurchase of shares in a subsidiary from minority shareholders		(95)	—
New bank and other loans		4,532,610	5,426,590
Repayment of bank and other loans		(4,639,964)	(5,335,951)
Capital element of finance lease rental payments		(113)	—
Dividends paid		(4,862)	(49,856)
Net cash inflow/(outflow) from financing activities		(112,471)	42,798
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(32,070)	60,162
Cash and cash equivalents at beginning of year		34,343	(25,819)
CASH AND CASH EQUIVALENTS AT END OF YEAR		2,273	34,343
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		22,723	37,792
Bank overdrafts		(20,450)	(3,449)
		2,273	34,343