

# Consolidated Cash Flow Statement

Year ended 31 December 2002

	Notes	2002 HK\$'000	2001 HK\$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		18,051	67
Adjustments for:			
Finance costs	7	5,355	6,599
Share of profits and losses of jointly-controlled entities and associates		368	3,237
Provision against an amount due from an associate		5,592	—
Interest income	6	(1,394)	(2,246)
Gain on disposal of fixed assets	6	(185)	(1,777)
Gain on disposal of investment properties	6	(1,164)	(1,060)
Gain on disposal of a subsidiary		—	(911)
Gain on disposal of a jointly-controlled entity		—	(2,506)
Depreciation	6	12,575	7,432
Amortisation of goodwill	6	12,254	2,042
Negative goodwill recognised as income	6	(3,354)	—
Amortisation of intangible assets	6	1,886	315
Revaluation deficit of investment properties		902	612
Share issue expenses		—	6,160
Expenses arising from acquisition of subsidiaries		—	4,323
Operating profit before working capital changes		50,886	22,287
Increase in inventories		(14,750)	(1,566)
Increase in amounts due from customers for contract work		(3,517)	(999)
Decrease in properties held for sale		60	1,068
Increase in trade receivables		(58,408)	(30,618)
Increase in other receivables, prepayments and deposits		(55,487)	(2,161)
Increase in trade and bills payables		17,137	23,687
Increase in amounts due to customers for contract work		1,204	—
Increase/(decrease) in other payables and accruals		13,581	(2,343)
Cash generated from operations		(49,294)	9,355
Interest received		1,394	2,246
Interest paid		(5,355)	(22,649)
Hong Kong profits tax paid		(179)	(131)
Overseas taxes paid		(1,122)	(1,901)
Dividends paid to minority shareholders		(69)	(78)
Net cash outflow from operating activities			
Continuing operations		(54,625)	(10,612)
Discontinued operations		—	(2,546)
Total		(54,625)	(13,158)

(continued)

# Consolidated Cash Flow Statement

Year ended 31 December 2002

	Notes	2002 HK\$'000	2001 HK\$'000 (Restated)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed assets		(20,655)	(11,276)
Proceeds from disposal of fixed assets		439	2,839
Proceeds from disposal of investment properties		1,842	1,778
Proceeds from disposal of a jointly-controlled entity		—	19,619
Acquisition of subsidiaries	32(a)	(781)	38,162
Disposal of a subsidiary	32(b)	—	1,490
Expenses arising from acquisition of subsidiaries		—	(4,323)
Balance payment for the acquisition of a subsidiary		(1,660)	(2,418)
Decrease/(increase) in amounts due from associates		4,969	(2,976)
Decrease/(increase) in pledged deposits and time deposits with original maturity of more than three months when acquired		19,004	(29,378)
Net cash inflow/(outflow) from investing activities		3,158	(7,592)
Continuing operations		3,158	(7,592)
Discontinued operations		—	21,109
Total		3,158	13,517
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of share capital	29	—	218,000
Share issue expenses		—	(6,160)
New bank loans		101,826	23,400
Repayment of bank loans		(32,208)	(57,675)
Repayment of other loans		—	(75,500)
Capital contributed by minority shareholders		11,082	—
Repayment to minority shareholders		(2,400)	(2,400)
Net cash inflow from financing activities		78,300	99,665
Continuing operations		78,300	99,665
Discontinued operations		—	—
Total		78,300	99,665

# Consolidated Cash Flow Statement

Year ended 31 December 2002

	Note	2002 HK\$'000	2001 HK\$'000 (Restated)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		<b>26,833</b>	100,024
Cash and cash equivalents at beginning of year		<b>87,722</b>	(12,316)
Effect of foreign exchange rate changes, net		<b>(438)</b>	14
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>			
		<b>114,117</b>	87,722
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		<b>114,117</b>	123,499
Time deposits with original maturity of more than three months when acquired		—	(24,293)
Bank overdrafts	26	—	(11,484)
		<b>114,117</b>	87,722