

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2002

	Notes	2002 HK\$'000	2001 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(278,463)	(391,751)
Adjustments for:			
Finance costs	7	4,607	12,104
Share of profits and losses of a jointly- controlled entity and associates		16,589	26,591
Interest income	5	(1,582)	(3,159)
Gain on deemed partial disposal of an associate	5	(3,685)	—
Gain on deemed partial disposal of a subsidiary	5	—	(2,074)
Loss on disposal of subsidiaries	6	560	55
Loss on disposal of fixed assets	6	3,446	1,395
Depreciation	6	22,263	23,191
Amortisation of trademark	6	922	959
Write-off of deferred development costs	6	—	1,215
Revaluation deficit of land and buildings	6	1,125	2,790
Revaluation deficit of investment properties	6	1,750	2,250
Impairment of a long term investment	6	—	1,647
Impairment of goodwill	6	189,070	30,295
Unrealised gains on revaluation of short term investments	6	(7)	(52)
Operating loss before working capital changes		(43,405)	(294,544)
Decrease in inventories		149,917	79,498
Decrease in trade and bills receivables		30,765	114,810
Decrease/(increase) in prepayments		(20,046)	59,712
Decrease in deposits and other receivables		11,787	51,889
Decrease/(increase) in short term investments		534	(5,702)
Increase/(decrease) in trade and bills payables		88,695	(175,300)
Increase/(decrease) in accruals		(6,492)	39,033
Increase/(decrease) in other payables		398	(19,656)
Increase/(decrease) in trading receipts in advance		(121,821)	114,325
Exchange differences		1,377	(3,835)
Cash generated/(utilised) from operations		91,709	(39,770)
Interest received		1,582	3,159
Interest paid		(4,607)	(12,104)
Overseas taxes refunded/(paid)		247	(2,384)
Net cash inflow/(outflow) from operating activities		88,931	(51,099)

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Year ended 31 December 2002

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CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets	13	(10,200)	(26,627)
Proceeds from disposal of fixed assets		10,829	2,318
Purchase of trademark		—	(4,950)
Additional investments in associates		—	(1,242)
Decrease/(increase) in amounts due from associates		(1,352)	8,236
Decrease in amounts due to associates		(669)	(3,063)
Disposal of subsidiaries	32(b)	(4,317)	—
Decrease/(increase) in pledged deposits		17,030	(750)
Net cash inflow/(outflow) from investing activities		11,321	(26,078)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		83,893	136,620
Repayment of bank loans		(194,019)	(142,077)
Increase/(decrease) in trust receipt loans		(37,460)	25,291
Capital contributions by minority shareholders		—	11,162
Net cash inflow/(outflow) from financing activities		(147,586)	30,996
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		263,460	315,360
Effect of foreign exchange rate changes, net		257	(5,719)
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		216,383	263,460
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	24	195,153	261,159
Non-pledged time deposits with original maturity of less than three months when acquired	24	21,230	2,488
Bank overdrafts	27	—	(187)
		216,383	263,460