

Consolidated Cash Flow Statement

Year ended 31 December 2002

	Notes	2002 HK\$'000	2001 HK\$'000 (Restated)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		(566,023)	120,206
Adjustments for:			
Depreciation	6	17,548	20,501
Interest expense	7	15,509	26,221
Interest income	5	(290)	(4,078)
Amortisation of goodwill	6	5,438	5,366
Dividend income from investments	5	(3,367)	(3,660)
Provision for bad and doubtful debts	6	625	4,443
Provision for inventory obsolescence	6	422	—
Write-off of a loan to an associate		—	2,248
Loss on deemed disposal of an associate		—	2,723
Loss/(gain) on disposal of fixed assets	6	18	10
Loss/(gain) on disposal of short term investments	5	(60)	(808)
Unrealised gain on short term investments	5	(17,532)	(24,755)
Impairment of an associate		634,952	—
Impairment of investment securities	6	6,201	11,119
Impairment of goodwill	6	1,533	—
Share of profits less losses of associates		(39,116)	(66,430)
Exchange adjustment		(462)	(1,660)
Operating profit before working capital changes		55,396	91,446
Decrease in rental deposits		—	179
Decrease in inventories		9,747	1,583
Decrease/(increase) in prepayments, deposits and other receivables		(7,113)	8,379
Decrease/(increase) in trade receivables		(3,927)	44,915
Increase/(decrease) in trade payables		(7,646)	11,724
Increase/(decrease) in other payables and accrued liabilities		(6,987)	2,373
Cash generated from operations		39,470	160,599
Hong Kong profits tax paid		(7,509)	(9,562)
Net cash inflow from operating activities - page 34		31,961	151,037

Consolidated Cash Flow Statement (continued)

Year ended 31 December 2002

	Notes	2002 HK\$'000	2001 HK\$'000 (Restated)
Net cash inflow from operating activities - page 33		31,961	151,037
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		290	4,078
Dividend received from associates		18,555	35,300
Dividend received from investments		3,367	3,660
Additional investments in associates		—	(114,033)
Purchases of fixed assets		(11,123)	(10,148)
Purchases of short term investments		(3,533)	(3,791)
Purchases of investment securities		—	(74,700)
Proceeds from disposal of fixed assets		510	3
Proceeds from disposal of short term investments		1,464	3,944
Return of capital of investment securities		2,335	—
Net advances to associates		(7,931)	(785)
Dividends paid to minority interest		(3,840)	(10,350)
Net cash inflow/(outflow) from investing activities		94	(166,822)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(15,509)	(26,221)
Repurchase of shares	24	(9,646)	(13,946)
New bank loans, secured		60,000	164,553
New bank loans, unsecured		6,000	102,150
Repayment of bank loans		(57,242)	(181,459)
Dividends paid		(27,448)	(48,217)
Net cash outflow from financing activities		(43,845)	(3,140)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(11,790)	(18,925)
Cash and cash equivalents at beginning of the year		64,102	83,027
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		52,312	64,102
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash balances		35,312	31,391
Time deposits with original maturity of less than three months when placed		17,000	32,711
		52,312	64,102