

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		(54,949)	(128,629)
Adjustments for:			
Share of profits less losses of associates		2,280	18,789
Finance costs	9	7,988	10,984
Provision for impairment of goodwill		–	12,628
Provision for corporate guarantee for an associate		9,480	21,156
Amortisation of goodwill	6	415	134
Bad and doubtful debts	6	3,715	5,789
Depreciation	6	3,799	3,790
Loss on deemed disposal of interest in an associate	6	–	1,539
Loss/(gain) on disposal of fixed assets		55	(65)
Loss on disposal of subsidiaries	6	–	487
Provision for impairment in values of properties held for resale	19	27,000	5,785
Provision for obsolete inventories	6	1,486	4,809
Revaluation deficits of leasehold land and buildings	6	–	7,408
Unrealised holding losses on other investments	6	11,830	26,339
Interest income	5	(526)	(2,957)
Dividend income from an unlisted investment	5	(27)	(629)
Realised gain on disposal of a short term investment	5	–	(611)
Reversal of impairment in value of investment securities	6	–	(331)
Operating profit/(loss) before working capital changes		12,546	(13,585)
Decrease/(increase) in other assets		394	(1,072)
Decrease/(increase) in inventories and gross amount due from contract customers		3,345	(2,759)
Decrease/(increase) in trade, retention monies and other receivables		(17,996)	33,669
Increase/(decrease) in trade, bills and other payables		5,365	(24,730)
Increase/(decrease) in amounts due to related companies, net		(978)	1,999
Cash generated from/(used in) operations		2,676	(6,478)
Interest received		526	3,131
Interest paid		(7,988)	(11,866)
Hong Kong profits tax refunded/(paid)		(1,393)	48
Dividend received from an unlisted investment		27	629
Proceeds from disposal of a short term investment		–	1,485
Net cash outflow from operating activities – Page 29		(6,152)	(13,051)

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	<i>Notes</i>	2002 HK\$'000	2001 <i>HK\$'000</i> <i>(Restated)</i>
Net cash outflow from operating activities – Page 28		(6,152)	(13,051)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets	13	(510)	(3,658)
Proceeds from disposal of fixed assets		10	504
Investment in an associate		(10,537)	(9,298)
Advances to an associate		(16,280)	(14,356)
Decrease in a loan to an investee company		–	1,118
Acquisition of shares from a minority shareholder		(900)	–
Acquisition of subsidiaries	35(a)	–	(17,870)
Disposal of subsidiaries	35(b)	–	(34)
Decrease in pledged time deposits		–	38,744
Net cash outflow from investing activities		(28,217)	(4,850)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of new shares		13,750	–
Share issue expenses		(282)	–
Increase/(decrease) in trust receipt loans		16,705	(7,196)
New bank loans		14,000	–
Repayment of bank loans		(35,952)	(33,343)
Net cash inflow/(outflow) from financing activities		8,221	(40,539)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		34,653	93,093
Effect of foreign exchange rate changes, net		75	–
CASH AND CASH EQUIVALENTS AT END OF YEAR		8,580	34,653
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	25	18,547	27,311
Non-pledged time deposits with original maturity of less than three months when acquired	25	23,881	35,028
Bank overdrafts	28	(33,848)	(27,686)
		8,580	34,653