

Consolidated Cash Flow Statement

Year ended 31 December 2002

	Note	2002 HK\$'000	2001 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(73,126)	(3,598)
Adjustments for:			
Finance costs		4,682	520
Share of loss of an associate		-	2,439
Interest income		(5,787)	(569)
Write back of provision for bad and doubtful debts		(3,000)	-
Gain on disposal of discontinued operations		(2,240)	-
Depreciation		7,535	7,602
Provision for obsolete and slow-moving inventories		10,375	-
Provision for bad and doubtful debts			
- Trade receivables		4,652	1,484
- Other receivables		16,640	467
Loss on disposal of fixed assets, net		1,551	1,912
Amortisation of goodwill		74,803	3,432
Amortisation of patents and licences		-	78
Amortisation of publishing rights		289	-
Operating profit before working capital changes		36,374	13,767
Decrease/(increase) in inventories		(37,104)	9,074
Decrease in trade and bills receivables		113,013	4,414
Decrease/(increase) in long term receivable		43,634	(2,903)
Decrease/(increase) in prepayments, deposits and other receivables		8,842	(8,677)
Decrease/(increase) in an amount due from a related company		24,402	(1,436)
Increase in trade and bills payables		1,701	6,172
Decrease in other payables and accruals		(120,057)	(1,075)
Cash generated from operations		70,805	19,336
Interest received		5,787	569
Hong Kong profits tax refunded/(paid)		(2,639)	360
		73,953	20,265
Net cash inflow/(outflow) from operating activities			
Continuing operations		68,437	(4,650)
Discontinued operations	6	5,516	24,915
Total		73,953	20,265

Consolidated Cash Flow Statement

Year ended 31 December 2002

	Notes	2002 HK\$'000	2001 HK\$'000 (Restated)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(26,730)	(2,902)
Proceeds from disposal of fixed assets		1,075	9,026
Increase in pledged deposits		(7)	(89)
Acquisition of subsidiaries	34(c)	(40,930)	18,336
Disposal of subsidiaries	34(d)	(20,860)	(25,501)
Advance to an associate		-	(6,297)
		(87,452)	(7,427)
Net cash inflow/(outflow) from investing activities			
Continuing operations		(86,893)	(40,280)
Discontinued operations	6	(559)	32,853
Total		(87,452)	(7,427)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		110,400	340,000
Proceeds from issue of shares upon exercise of share options		228	22,213
Share issue expenses		(3,655)	(9,556)
Interest paid		(4,629)	(287)
Interest element on finance lease rental payments		(53)	(233)
Capital element of finance lease rental payments		(1,211)	(1,093)
Repayments of trust receipts		(82,800)	(19,279)
		18,280	331,765
Net cash inflow/(outflow) from financing activities			
Continuing operations		8,645	382,177
Discontinued operations	6	9,635	(50,412)
Total		18,280	331,765
NET INCREASE IN CASH AND CASH EQUIVALENTS		4,781	344,603
Cash and cash equivalents at beginning of year		370,107	25,504
CASH AND CASH EQUIVALENTS AT END OF YEAR		374,888	370,107
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		178,704	268,114
Time deposits with original maturity of less than three months when acquired		196,184	101,993
		374,888	370,107