

**CONSOLIDATED CASH FLOW STATEMENT**

FOR THE YEAR ENDED 31ST DECEMBER, 2002

	<i>NOTES</i>	<b>2002</b> <i>HK\$'000</i>	2001 <i>HK\$'000</i>
<b>OPERATING ACTIVITIES</b>			
Loss before taxation		<b>(54,956)</b>	(49,245)
Adjustments for:			
Interest expenses on bank and other borrowings		<b>13,139</b>	14,841
Interest income, other than from investments		<b>(751)</b>	(2,104)
Deficit arising on revaluation of investment properties		<b>4,216</b>	3,000
Depreciation and amortisation of property, plant and equipment		<b>29,031</b>	25,122
Impairment loss on property, plant and equipment		<b>25,042</b>	–
Loss on disposal of property, plant and equipment		<b>13,594</b>	147
Allowance for short-term loans receivable		<b>5,000</b>	–
Impairment loss on investment securities		<b>1,431</b>	820
Amortisation of trademarks		<b>374</b>	373
Impairment loss on trademark		<b>374</b>	–
Release of negative goodwill		<b>(54)</b>	–
Share of loss of an associate		<b>291</b>	–
Amortisation of goodwill of an associate		<b>145</b>	–
Share of profit of a jointly controlled entity		<b>(2,464)</b>	(2,369)
Unrealised holding loss on other investments		<b>–</b>	1,030
Dividend received from listed investments		<b>–</b>	(201)
Operating cash flows before movements in working capitals		<b>34,412</b>	(8,586)
Decrease in inventories		<b>10,258</b>	38,041
Decrease in investments in securities		<b>1,735</b>	–
(Increase) decrease in trade and other receivable and prepayments		<b>(11,931)</b>	10,264
Decrease in short-term loans receivable		<b>83</b>	12,840
Increase in trade and other payables		<b>1,437</b>	6,096
Increase in trade payable to a minority shareholder of a subsidiary		<b>97</b>	1,228
Cash generated from operations		<b>36,091</b>	59,883
Interest paid		<b>(13,139)</b>	(15,387)
The People's Republic of China (the "PRC") enterprise income tax (payment) refunded		<b>(109)</b>	270
Hong Kong Profits Tax refund (paid)		<b>28</b>	(62)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>22,871</b>	44,704
<b>INVESTING ACTIVITIES</b>			
Purchase of subsidiaries	26	<b>(251,966)</b>	–
Purchase of property, plant and equipment		<b>(9,840)</b>	(4,322)
(Increase) decrease in pledged bank deposits		<b>(9,348)</b>	11,591
Proceeds from disposal of property, plant and equipment		<b>2,802</b>	519
Dividend received from a jointly controlled entity		<b>2,046</b>	1,682
Interest received, other than from investments		<b>751</b>	2,104
Redemption of debt securities held		<b>468</b>	467
Dividend received from listed investments		<b>–</b>	201
<b>NET CASH (USED IN) FROM INVESTING ACTIVITIES</b>		<b>(265,087)</b>	12,242

**CONSOLIDATED CASH FLOW STATEMENT** *(Continued)*

FOR THE YEAR ENDED 31ST DECEMBER, 2002

	<b>2002</b> <i>HK\$'000</i>	2001 <i>HK\$'000</i>
FINANCING ACTIVITIES		
Repayment of borrowings	<b>(257,181)</b>	(135,299)
Repayment of borrowings to a minority shareholder of a subsidiary	<b>(4,953)</b>	–
Borrowings raised	<b>249,907</b>	97,488
Advance from a minority shareholder of a subsidiary	<b>2,975</b>	2,146
Dividend paid to a minority shareholder	–	(1,866)
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NET CASH USED IN FINANCING ACTIVITIES	<b>(9,252)</b>	(37,531)
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(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<b>(251,468)</b>	19,415
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CASH AND CASH EQUIVALENTS BROUGHT FORWARD	<b>406,714</b>	387,299
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CASH AND CASH EQUIVALENTS CARRIED FORWARD, represented bank balances, deposits and cash	<b>155,246</b>	406,714
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