

## Consolidated Cash Flow Statement

For the year ended 31 December 2002

	2002 HK\$'000	2001 HK\$'000
<b>OPERATING ACTIVITIES</b>		
Profit (loss) before taxation	18,196	(193,129)
Adjustment for:		
Interest income	(7,281)	(9,335)
Gain on disposal of non-trading securities	(3,265)	(1,976)
Allowance for bad and doubtful debts	24,260	22,359
Interest expenses	12,144	20,111
Impairment of property, plant and equipment	—	13,003
Impairment of land pending development	1,300	9,550
Impairment of non-trading securities	16,419	13,331
Impairment of goodwill	—	625
Share of losses of associates	4,648	11,412
Loss on interest in associates	75,000	35,192
Net gain on disposal of subsidiaries	(99,796)	(33)
Amortisation of goodwill	1,331	—
Depreciation of property, plant and equipment	46,226	55,956
Loss on disposal of property, plant and equipment	236	134
Operating cash flows before movements in working capital	89,418	(22,800)
(Increase) decrease in trade and other receivables	(90,912)	60,112
(Increase) decrease in inventories	(29,595)	50,692
Decrease in properties held for sale	3,000	1,868
Increase in amounts due from a fellow subsidiary	(3)	(10)
Decrease in amount due from a related company	2,580	—
Increase (decrease) in trade and other payables	136,530	(73,055)
(Decrease) increase in amounts due to fellow subsidiaries	(20,740)	6,300
Cash generated from operations	90,278	23,107
Interest paid	(12,144)	(20,111)
Hong Kong Profits Tax paid	(9,942)	(29,928)
PRC income tax paid	—	(525)
<b>NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>	<b>68,192</b>	<b>(27,457)</b>

## Consolidated Cash Flow Statement

For the year ended 31 December 2002

	NOTES	2002 HK\$'000	2001 HK\$'000
<b>INVESTING ACTIVITIES</b>			
Advance to intermediate holding company		(36,095)	(15,581)
Purchases of property, plant and equipment		(23,262)	(18,841)
Acquisition of subsidiaries	36	(22,715)	(15,522)
Advances to (repayment from) associates		(18,077)	30,482
Purchase of non-trading securities		(12,390)	(27,935)
Acquisition of additional interests in a subsidiary		(3,600)	—
(Increase) decrease in pledged bank deposits		(1,088)	27,500
Reclassification of a subsidiary as an associate	38	(394)	—
Disposal of subsidiaries	37	21,489	(992)
Dividend received from an associate		14,032	3,423
Proceeds on disposal of non-trading securities		10,888	7,601
Interest received		7,281	9,335
Disposal of property, plant and equipment		1,501	638
Disposal of interest in an associate		—	7,775
Acquisition of additional interests in associates		—	(15)
Increase in properties under development		—	(8)
<b>NET CASH (USED IN) FROM INVESTING ACTIVITIES</b>		<b>(62,430)</b>	<b>7,860</b>
<b>FINANCING ACTIVITIES</b>			
Repayment of bank loans		(60,432)	(142,518)
Dividends paid to minority shareholders of subsidiaries		(15,848)	(2,994)
(Repayment to) advances from associates		(10,339)	802
Repayment of obligations under finance leases		(156)	—
Capital contribution from minority shareholders of subsidiaries		47,602	7,670
New bank loans raised		16,428	126,205
Increase (decrease) in trust receipt loans		14,763	(24,066)
Advances from minority shareholders		4,317	—
Net proceeds of rights issue contributed by minority shareholders of a subsidiary		—	44,032
Repayments to an intermediate holding company		—	(3,351)
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES</b>		<b>(3,665)</b>	<b>5,780</b>

## Consolidated Cash Flow Statement

For the year ended 31 December 2002

	2002 HK\$'000	2001 HK\$'000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,097	(13,817)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	89,484	103,241
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	—	60
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>91,581</b>	<b>89,484</b>
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalent as previously reported		19,417
Effect of reclassification of trust receipt loans		70,067
Cash and cash equivalent as restated		89,484
Being:		
Bank balances and cash	129,403	111,311
Bank overdrafts	(37,822)	(21,827)
	<b>91,581</b>	<b>89,484</b>