

## Consolidated cash flow statement

For the year ended 31st December, 2002

(Expressed in thousands of Hong Kong dollars)

	2002	2001
<b>Cash flows from operating activities</b>		
Loss before taxation and minority interests	(59,037)	(35,502)
Adjustments for :		
Depreciation of property, plant and equipment	3,713	4,369
(Gain)/Loss on disposal of property, plant and equipment	(11)	12
Revaluation deficit on investment property	350	900
Write-back of minority interests	–	(3,394)
Interest income	(2,255)	(7,011)
Interest expenses	66	156
Provision for doubtful debts	8,067	2,805
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Operating loss before working capital changes	(49,107)	(37,665)
Increase in other receivables, prepayments and deposits	(6,150)	(3,781)
Decrease in inventories	306	545
(Increase)/Decrease in trade receivables	(3,317)	3,048
Decrease in amount due from a related company	–	20,028
Increase/(Decrease) in amount due to a related company	906	(2,438)
(Decrease)/Increase in trade payables	(91)	89
Increase in accruals and other payables	683	4,285
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Net cash used in operating activities	(56,770)	(15,889)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(7,701)	(1,261)
Proceeds from sales of property, plant and equipment	11	62
Increase in certificates of deposit	(1,000)	–
Interest received	2,071	7,011
Dividends paid to a joint venture partner	–	(400)
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Net cash (used in)/generated from investing activities	(6,619)	5,412
<b>Cash flows from financing activities</b>		
Decrease/(Increase) in pledged bank deposits	500	(500)
Repayment of loan from a joint venture	–	(129)
Repayment of borrowing	(1,864)	(307)
Interest paid	(66)	(156)
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Net cash used in financing activities	(1,430)	(1,092)
<b>Net decrease in cash and cash equivalents</b>	(64,819)	(11,569)
<b>Cash and cash equivalents at 1st January, 2002</b>	189,144	200,713
<b>Effect of exchange rate fluctuation</b>	(16)	–
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<b>Cash and cash equivalents at 31st December, 2002</b>	<u>124,309</u>	<u>189,144</u>