

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		(94,615)	(50,444)
Adjustments for:			
Finance costs	8	2,366	2,610
Share of profits and losses of associates		760	3,752
Interest income	7	(3,271)	(6,933)
Loss on disposal of fixed assets	7	147	–
Gain on disposal of discontinued operations	7	(8,327)	–
Loss on disposal of associates	7	19,031	–
Amortisation of goodwill on acquisition of subsidiaries	7	379	–
Amortisation of an intangible asset	7	2,850	2,850
Depreciation	7	4,366	3,643
Deficit on revaluation of leasehold land and buildings	7	–	634
Bad debts written off	7	3,628	3,955
Provision for doubtful debts	7	41,564	36,029
Impairment of an intangible asset	7	14,820	–
Amortisation of goodwill on acquisition of associates	18	2,889	3,630
Operating loss before working capital changes		(13,413)	(274)
Decrease/(increase) in amount due from an associate		(250)	13
Decrease/(increase) in inventories		4,164	(2,768)
Decrease/(increase) in accounts receivable		580	(11,498)
Decrease in prepayments, deposits and other receivables		23,244	9,681
Decrease/(increase) in amounts due from related companies		2,347	(2,462)
Decrease in accounts payable		(428)	(35)
Increase/(decrease) in other payables and accrued liabilities		(4,814)	1,510
Increase/(decrease) in amounts due to related companies		7,109	(781)
Cash generated from/(used in) operations		18,539	(6,614)
Interest paid		(2,366)	(2,604)
Interest element on finance lease rental payments		–	(6)
Overseas taxes paid		–	(3,913)
Net cash inflow/(outflow) from operating activities			
Continuing operations		7,974	(10,291)
Discontinued operations		8,199	(2,846)
Total		16,173	(13,137)

Consolidated Cash Flow Statement (Continued)

Year ended 31 December 2002

	Notes	2002 HK\$'000	2001 HK\$'000 (Restated)
Net cash inflow/(outflow) from operating activities		16,173	(13,137)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,795	6,933
Purchases of fixed assets		(12,825)	(17)
Proceeds from disposal of fixed assets		562	–
Refund of prepayments for land and buildings		–	4,613
Deposit for an investment		(36,000)	–
Acquisition of subsidiaries	34(c)	484	–
Disposal of subsidiaries (discontinued operations)	34(d)	(39,153)	–
Repayment from a shareholder of an associate		–	32,800
Advance to a shareholder of an associate		–	(32,800)
Advance of loans to associates		–	(1,384)
Repayment of promissory notes receivable in connection with the disposal of discontinued operations		19,000	–
Decrease/(increase) in pledged bank deposits		7,135	(4,290)
Decrease in time deposits with original maturity over three months		–	10,592
Net cash inflow/(outflow) from investing activities		(28,774)	(1,290)
Continuing operations		(28,774)	(1,290)
Discontinued operations		(30,228)	17,737
Total		(59,002)	16,447
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		27,759	16,458
Share issue expenses		(430)	–
New bank loans		–	13,000
Repayment of bank loans		(13,016)	(9,532)
Repayment of other loans		–	(41)
Capital element of finance lease rental payments		–	(421)
Net cash inflow/(outflow) from financing activities		27,329	16,458
Continuing operations		27,329	16,458
Discontinued operations		(13,016)	3,006
Total		14,313	19,464
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(28,516)	22,774
Cash and cash equivalents at beginning of year		36,992	14,218
CASH AND CASH EQUIVALENTS AT END OF YEAR		8,476	36,992
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	24	8,476	38,659
Bank overdrafts	28	–	(1,667)
		8,476	36,992