

Consolidated Cash Flow Statement

Year ended 31 December 2002

	<i>Note</i>	2002 HK\$'000	2001 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		10,763	(58,815)
Adjustments for:			
Finance costs		15,611	21,452
Share of profits less losses of associates		(9,426)	(5,353)
Interest income		(38)	(117)
Waive of accrued interest on bank loans and overdrafts		(16,917)	—
Loss on disposal of fixed assets		1,532	936
Depreciation		14,900	15,293
Realisation of exchange fluctuation reserve upon the deregistration of subsidiaries		(1,001)	—
Deficit/(surplus) on revaluation of leasehold land and buildings		(487)	1,887
Loss on disposal of interests in subsidiaries		—	303
Impairment losses on interests in associates		—	24,068
Impairment losses on fixed assets		—	4,777
Provision for doubtful accounts receivable		373	1,427
Provision against inventories		1,612	8,660
Provision for other receivables		—	1,760
Provision for closure of an overseas subsidiary		—	1,025
Reversal of impairment loss on interest in an associate		—	(2,099)
Exchange differences		(408)	(664)
Operating profit before working capital changes		16,514	14,540
Decrease/(increase) in accounts receivable		(2,902)	658
Decrease/(increase) in bills receivable		426	(1,329)
Decrease in prepayments, deposits and other receivables		159	516
Decrease/(increase) in inventories		(2,547)	906
Increase/(decrease) in balances with associates, net		3,711	(85)
Increase/(decrease) in accounts payable		3,335	(8,811)
Decrease in accrued liabilities and other payables		(393)	(1,783)
Decrease in bills payable		—	(49)
Decrease in provision for long service payments		(288)	—
Cash generated from operations		18,015	4,563
Interest paid on bank and other borrowings		—	(9,472)
Interest element on finance lease rental payments		—	(2)
Net cash inflow/(outflow) from operating activities		18,015	(4,911)

Consolidated Cash Flow Statement (Cont'd)

Year ended 31 December 2002

	2002	2001
Note	HK\$'000	HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	38	117
Dividends received from associates	—	2,300
Distribution from an associate	—	5,851
Purchase of fixed assets	(3,209)	(2,613)
Proceeds from disposal of fixed assets	6	87
Payment of rental deposits	(455)	—
Net cash outflow from disposal of subsidiaries	—	(253)
	(3,620)	5,489
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital element of finance lease rentals payments	—	(227)
Net cash outflow from financing activities	—	(227)
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	14,395	351
Cash and cash equivalents at beginning of year	9,688	9,337
CASH AND CASH EQUIVALENTS AT END OF YEAR		
	24,083	9,688
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	23,715	9,112
Time deposits with original maturity of less than three months when acquired	368	1,016
Bank overdrafts	—	(440)
	24,083	9,688