

# Consolidated Cash Flow Statement

For the year ended 31 December 2002

	2002 HK\$'000	2001 HK\$'000 (restated)
Operating activities		
Loss before taxation	(564,598)	(481,376)
Adjustments for:		
Advertising and tele-communication service expenses	5,746	—
Allowance for bad and doubtful debts	95,687	44,918
Allowance for inventory obsolescence and write-off of inventories	4,990	6,795
Allowance for loan to an associate	219,828	—
Amortisation of intangible assets	1,830	1,830
Amortisation of goodwill	6,135	2,997
Depreciation and amortisation of property and equipment	53,869	49,898
Gain on expiry of warrant	(59,573)	—
Impairment loss recognised in respect of club membership	1,330	—
Impairment loss recognised in respect of goodwill	27,209	—
Impairment loss recognised in respect of investments	57,000	228,900
Impairment loss recognised in respect of property and equipment	64,153	7,527
Interest expenses	5,162	10,735
Loss on disposal of property and equipment	6,081	20,143
Gain on deemed disposal of interests in Pricerite and its subsidiaries	—	(2,351)
Loss on disposal of an associate	—	25,457
Loss on disposal of subsidiaries	—	1,023
Share of losses of associates	—	4,758
Unrealised loss on other investments	—	5,986
Operating cash outflows before movements in working capital	(75,151)	(72,760)
Increase in inventories	(16,398)	(8,141)
Decrease in accounts receivable	72,514	22,120
Decrease in loans receivable	13,779	7,856
Decrease (Increase) in prepayments, deposits and other receivables	24,208	(19,261)
(Increase) Decrease in investments	(19,032)	8,978
Decrease (Increase) in bank balances – trust and segregated accounts	77,614	(68,178)
(Decrease) Increase in accounts payable	(58,020)	65,538
Decrease in accrued liabilities and other payables	(21,707)	(18,998)
Cash used in operations	(2,193)	(82,846)
Hong Kong Profits Tax refunded	166	1,699
Hong Kong Profits Tax paid	(12)	—
Interest paid	(5,162)	(10,426)
Net cash used in operating activities	(7,201)	(91,573)

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For the year ended 31 December 2002

	Notes	2002 HK\$'000	2001 HK\$'000
Investing activities			
Proceeds from disposal of property and equipment		22,333	–
Statutory and other deposits refunded		4,100	–
Purchase of property and equipment		(58,593)	(50,818)
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	31	(40,600)	(27,215)
Loan to an associate		(55,362)	(118,818)
Purchase of investments		–	(76,872)
Purchase of club memberships		–	(710)
Increase in statutory and other deposits		–	(1,900)
Proceeds from disposal of an associate		–	3,800
Proceeds from deemed disposal of investments in subsidiaries		–	84,836
Disposal of subsidiaries (net of cash and cash equivalents disposed of)	32	–	19,600
Net cash used in investing activities		(128,122)	(168,097)
Financing activities			
Increase in trust receipt loans		34,197	18,341
Decrease (Increase) in pledged bank deposits		16,855	(7,108)
(Decrease) Increase in bank loans		(51,100)	42,000
Increase (Decrease) in bank overdrafts		66,856	(26,114)
Repayments of obligations under finance leases		(2,544)	(2,256)
Issue of shares		109	–
Repurchase of shares		(26,719)	(6,670)
Share issue expenses		–	(816)
Interest paid on obligations under finance leases		–	(309)
Net cash from financing		37,654	17,068
Net decrease in cash and cash equivalents		(97,669)	(242,602)
Cash and cash equivalents at beginning of year		355,320	597,922
Cash and cash equivalents at end of year		257,651	355,320

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	2002 HK\$'000	2001 HK\$'000
Analysis of balances of cash and cash equivalents		
Cash and cash equivalent as previously reported		199,731
Effect of reclassification of trust receipt loans		18,341
Effect of reclassification of bank loans		127,000
Effect of reclassification of bank overdrafts		10,248
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Cash and cash equivalent as restated		355,320
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Being:		
Bank balances and cash	542,671	717,954
Less: Bank balances – trust and segregated accounts	(285,020)	(362,634)
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	257,651	355,320
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