

Consolidated Cash Flow Statement

For the year ended 31 December 2002
(Expressed in Hong Kong dollars)

	Note	2002 \$'000	2001 \$'000
Operating activities			
Profit from ordinary activities before taxation		13,873	49,489
Adjustments for:			
Interest income		(4,766)	(4,082)
Dividend income from unlisted investments		(566)	(499)
Interest expense		1,598	3,057
Depreciation		6,455	5,381
Share of profit of an associate		—	(11,144)
Share of profit less loss of jointly controlled entities		(4,557)	(2,180)
Amortisation of intangible assets		588	423
Impairment loss on intangible assets		705	—
Loss on disposal of fixed assets		931	601
Profit on disposal of subsidiaries		(4,987)	—
Profit on disposal of an associate		—	(9,214)
Profit on disposal of unlisted investments		(1,947)	—
Provision for bad and doubtful debts		6,535	5,433
Provision for loans receivable		2,747	814
Provision for obsolete inventories		5,263	9,298
Compensation of guarantee profit by minority shareholder		(3,057)	(3,439)
Deficit on property revaluation		3,517	20
Unrealized loss on trading securities carried at fair value		1,414	—
Operating profit before changes in working capital		23,746	43,958
Increase in inventories		(26,615)	(129,282)
Increase in accounts receivable		(66,173)	(24,253)
Increase in retentions receivable from customers		(17,035)	(865)
Decrease/(increase) in gross amount due from customers for contract work		7,339	(13,854)
(Increase)/decrease in prepayments, deposits and other receivables		(23,955)	8,426
(Decrease)/increase in accounts payable		(775)	69,613
Increase in gross amount due to customers for contract work		3,317	941
Decrease in bills payable		(3,677)	(1,606)
(Decrease)/increase in receipts in advance		(27,001)	38,929
Increase in other payables and accrued liabilities		105,934	55,835
Cash (outflow)/inflow from operations		(24,895)	47,842
Tax paid			
Hong Kong Profits Tax paid		—	(804)
Hong Kong Profits Tax refunded		—	1,850
Taxation outside Hong Kong paid		(2,226)	(2,336)
Net cash (outflow)/inflow from operating activities		(27,121)	46,552

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Investing activities			
Payment for purchase of additional interest in a subsidiary		(697)	–
Acquisitions of subsidiaries, net of cash acquired		–	(6,100)
Proceeds on disposal of subsidiaries, net of cash disposed of	33	(54,787)	284
Proceeds on disposal of an associate		–	37,673
Proceeds on disposal of unlisted investments		6,598	–
Reclassification from subsidiaries to jointly controlled entities		–	(3,666)
Capital injection to a jointly controlled entity		–	(3,768)
Payments for purchases of fixed assets		(13,340)	(11,817)
Proceeds from sales of fixed assets		96	800
Payments for purchases of intangible assets		(1,343)	–
Payments for purchases of trading securities		(20,582)	–
Payments of investment fund		(16,956)	–
Repayments of loans receivable		24,846	8,430
Advances of loans		(36,675)	(20,583)
Deposits with bank		–	(126,228)
Pledged deposits		6,091	23,014
Interest received		3,847	3,501
Dividend received from unlisted investments		566	499
Net cash outflow from investing activities		(102,336)	(97,961)
Financing activities			
Repayments of bank loans		(43,116)	(32,498)
New bank loans		96,230	44,058
Net proceeds from issuance of new shares		–	20,000
Advances from minority shareholders		–	909
Dividends paid to minority shareholder		(2,122)	(1,269)
Interest paid		(1,598)	(2,664)
Net cash inflow from financing activities		49,394	28,536
Net decrease in cash and cash equivalents		(80,063)	(22,873)
Effect of foreign exchange rates changes		(3)	67
Cash and cash equivalents at 1 January		96,032	118,838
Cash and cash equivalents at 31 December	25	15,966	96,032

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Included in the above amounts are the following net cash flows related to discontinued operation for the year ended 31 December 2002:

	2002 \$'000	2001 \$'000
Cash (outflow)/inflow from operating activities	(51,090)	22,178
Cash inflow/(outflow) from investing activities	4,842	(6,069)
Cash inflow from financing activities	<u>60,434</u>	<u>6,964</u>

The notes on pages 32 to 84 form part of these financial statements.