

CONSOLIDATED

CASH FLOW STATEMENT

Year ended 31 December 2002

	Notes	2002 HK\$'000	2001 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		5,149	4,586
Adjustments for:			
Interest income	5	(3,665)	(4,164)
Interest expenses	7	2,070	5,015
Share of profits and losses of associates		(159)	145
Negative goodwill recognised as income	15	(45)	—
Gain on disposal of listed investments	5	(6,919)	(6,556)
Depreciation	6	2,359	11,508
Gain on deconsolidation of subsidiaries	16	—	(28,762)
Loss/(gain) on disposal of fixed assets	6	77	(34)
Unrealised loss/(gain) on listed investments, net	6	31,451	(4,367)
Gain on disposal of an deconsolidated subsidiary	5, 16, 27(b)(ii)	(3,741)	—
Dividend income	5	(17,477)	(2,302)
Operating profit/(loss) before working capital changes		9,100	(24,931)
Decrease/(increase) in interests on unconsolidated subsidiaries		18,231	(21,646)
Decrease/(increase) in inventories		(182)	27,013
Decrease/(increase) in trade receivables		63,469	(66,166)
Decrease/(increase) in prepayments, deposits and other receivables		16,101	(2,466)
Increase/(decrease) in trade and bills payables		(36,433)	218,364
Decrease in other payables		(17,418)	(71,179)
Net cash inflow/(outflow) from operating activities			
Continuing operations		38,378	107,888
Discontinued operations		14,490	(48,899)
Total		52,868	58,989
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income		3,665	4,164
Dividend income		17,477	2,302
Purchases of fixed assets	13	(211)	(5,436)
Purchases of long term investments	27(b)(i)	(17,412)	(21,987)
Increase in interests in associates	27(b)(i)	(16,001)	—
Purchases of short term investments		(91,205)	(114,895)
Deposit for acquisition of a long term investment	31	(11,456)	—
Increase in pledged bank deposits		—	(2,910)
Proceeds from disposal of fixed assets		289	160
Proceeds from disposal of a deconsolidated subsidiary	27(b)(ii)	1,355	—
Proceeds from sales of listed investments		73,047	83,226
Net cash outflow from investing activities			
Continuing operations		(40,452)	(55,376)

CONSOLIDATED CASH FLOW STATEMENT (CONT'D)

Year ended 31 December 2002

	Notes	2002 HK\$'000	2001 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Share issue expenses	24	(221)	(168)
Proceeds from issue of share capital	24	10,575	15,000
Repayment of bank borrowings		(84)	(83)
Interest paid		(2,070)	(5,015)
Net cash inflow/(outflow) from financing activities			
Continuing operations		8,200	13,207
Discontinued operations		—	(3,473)
Total		8,200	9,734
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		93,811	120,980
Less: Cash and cash equivalents held by unconsolidated subsidiaries		—	(40,516)
CASH AND CASH EQUIVALENTS AT END OF YEAR		114,427	93,811
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	20	98,537	48,145
Time deposits with original maturity of less than three months when acquired	20	15,890	45,666
		114,427	93,811