

CONSOLIDATED CASH FLOW STATEMENT

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Year ended 31 December 2002

	Notes	2002 HK\$'000	2001 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) before tax		(194,636)	14,467
Adjustments for:			
Finance costs	7	7,846	10,226
Share of profits and losses of a jointly-controlled entity and associates		7,099	(4,753)
Interest income	5	(864)	(1,913)
Dividend income from a listed investment	5	(19)	(23)
Depreciation	6	20,973	17,654
Amortisation of intangible assets	6	2,454	1,920
Amortisation of goodwill	6	120	—
Gain on disposal of fixed assets		(16)	(71)
Loss on disposal of an investment property	6	—	32
Deficit on revaluation of investment properties	6	16,953	1,047
Gain on disposal of an associate	5	—	(10,511)
Gain on disposal of short term investments	6	—	(707)
Unrealised loss on revaluation of short term investments	6	3,246	1,419
Impairment of a property under development	6	8,000	3,000
Impairment of long term investments	6	2,794	6,400
Impairment of goodwill remaining eliminated against capital reserve	6	90,221	—
Impairment of interests in associates	6	20,080	23
Impairment of an intangible asset	6	3,200	—
Provision/(Write back of provision) for inventories		701	(2,542)
Provision/(Write back of provision) for bad and doubtful debts	6	10,317	(1,630)
Provision for deposit for an investment	6	—	1,950
Provision on deposit for purchase of a property	6	13,000	—
Operating profit before working capital changes		11,469	35,988
Decrease/(Increase) in inventories		(478)	4,631
Decrease/(Increase) in trade receivables		(19,011)	333
Increase in prepayments, deposits and other receivables		(3,657)	(1,242)
Increase in trade and bills payables		1,118	8,791
Decrease in other payables and accruals		(3,530)	(25,027)
Cash generated from/(used in) operations		(14,089)	23,474
Interest paid		(7,794)	(9,817)
Interest element of finance lease rental payments		(68)	(110)
Hong Kong profits tax (paid)/refunded		(193)	212
Overseas taxes paid		(7,526)	(7,934)
Net cash inflow/(outflow) from operating activities		(29,670)	5,825

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		<u>(29,670)</u>	<u>5,825</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(11,711)	(6,347)
Proceeds from disposal of fixed assets		616	901
Proceeds from disposal of investment properties		—	1,906
Additions to properties under development		—	(8)
Addition to intangible assets	22	(3,292)	—
Acquisition of subsidiaries	35(c)	(10,915)	(786)
Advance to a jointly-controlled entity		(815)	(594)
Advances to associates		(3,139)	—
Repayment from associates		—	2,536
Increase in investment in associates		(37,742)	(12,955)
Proceeds from disposal of an associate		—	19,000
Deposits for investments		—	(22,870)
Repayment of mortgage loans receivable		289	66
Purchases of short term investments		—	(10,317)
Proceeds from disposal of short term investments		—	3,147
Increase in pledged time deposits		(750)	(1,200)
Decrease in pension scheme asset		327	—
Interest received		864	1,937
Dividends received from associates		1,042	5,542
Dividends received from a listed investment		19	23
Net cash outflow from investing activities		<u>(65,207)</u>	<u>(20,019)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repurchase of shares	32	(738)	—
Share repurchase expenses	32	(4)	—
New bank loans		57,788	30,075
Repayment of bank loans		(33,717)	(34,676)
Capital element of finance lease rental payments		(590)	(952)
Net cash inflow/(outflow) from financing activities		<u>22,739</u>	<u>(5,553)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		111,699	131,413
Effect of foreign exchange rate changes, net		(56)	33
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>39,505</u></u>	<u><u>111,699</u></u>

CONSOLIDATED CASH FLOW STATEMENT (continued)

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Year ended 31 December 2002

	Notes	2002 HK\$'000	2001 HK\$'000 (Restated)
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	27	42,757	56,585
Non-pledged time deposits with original maturity of less than three months when acquired	27	78	55,114
Time deposits with original maturity of less than three months when acquired, pledged as security for bank overdraft facilities		4,000	—
Bank overdrafts	29	(7,330)	—
		<u>39,505</u>	<u>111,699</u>