

Consolidated Cash Flow Statement

For the year ended December 31, 2002

	2002 HK\$'000	2001 HK\$'000
OPERATING ACTIVITIES		
Profit from operations	23,220	35,410
Adjustments for:		
Staff advances written off	–	110
Dividend income	(146)	–
Interest income	(2,553)	(5,058)
Impairment losses recognised in respect of investments in securities	2,298	32,533
(Gain) loss on disposal of investments in securities	(33)	158
Revaluation decrease on investment properties	8,693	–
Release of provision for management fee and interest	–	(38,389)
Depreciation and amortisation	7,052	8,310
Loss on disposal of property, plant and equipment	2,895	366
Allowance for doubtful debts	6,235	17,290
Operating cash flows before movements in working capital	47,661	50,730
Increase in inventories	(13,013)	(25,412)
Decrease (increase) in trade and other receivables, deposits and prepayments	90,429	(97,946)
(Increase) decrease in amounts due from related companies	(4,627)	3,032
(Decrease) increase in trade and other payables	(79,960)	14,393
(Decrease) increase in bills payable	(16,759)	22,316
CASH GENERATED FROM (USED IN) OPERATIONS	23,731	(32,887)
Hong Kong Profits Tax paid	–	(5,929)
Overseas Tax paid	(5,166)	(1,874)
Interest paid	(7,881)	(6,480)
Interest on obligations under finance leases	(74)	(86)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	10,610	(47,256)

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For the year ended December 31, 2002

	NOTE	2002 HK\$'000	2001 HK\$'000
INVESTING ACTIVITIES			
Dividend received		146	–
Interest received		2,553	5,058
Purchase of investment properties		(120)	–
Purchase of property, plant and equipment		(1,727)	(7,295)
Repayment of staff advances		2,174	1,747
Advances to staff		–	(3,160)
Purchase of investments in securities		–	(225)
Disposal of subsidiaries	33	(147)	–
Increase in pledged bank deposits		(43,357)	(15,097)
Proceeds from disposal of property, plant and equipment		1,262	422
Proceeds from disposal of investments in securities		192	546
NET CASH USED IN INVESTING ACTIVITIES		(39,024)	(18,004)
FINANCING ACTIVITIES			
Dividends paid		(8,056)	(5,361)
New bank loans raised		130,375	154,756
New trust receipt loans raised		26,767	–
Issue of shares		190	–
Repayment of obligations under finance leases		(372)	(479)
Repayment of bank loans		(89,825)	(161,932)
Repayment of other loans		(7,520)	–
NET CASH FROM (USED IN) FINANCING ACTIVITIES		51,559	(13,016)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		23,145	(78,276)
CASH AND CASH EQUIVALENTS AT JANUARY 1		97,738	177,878
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		1,195	(1,864)
CASH AND CASH EQUIVALENTS AT DECEMBER 31		122,078	97,738
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		145,508	117,506
Bank overdrafts		(23,430)	(19,768)
		122,078	97,738