



Consolidated Cash Flow Statement

Year ended 31 December 2002

	2002 HK\$'000	2001 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(205,378)	(77,946)
Adjustments for:		
Finance costs	6,387	15,221
Share of losses of associates	–	154
Interest income	(438)	(2,290)
Write off of fixed assets	386	1,109
Loss on disposal of fixed assets, net	1,764	247
Gain on disposal of subsidiaries	(1,186)	–
Depreciation	16,075	20,542
Amortisation of trademarks	700	1,400
Impairment of trademarks	–	4,100
Impairment of fixed assets	1,493	19,417
Impairment of an investment in an associate	–	907
Provision against loans to an associate	–	4,716
Impairment of goodwill arising from acquisitions of subsidiaries	133,349	21,919
Provision for doubtful debts, net	28,531	1,598
Provision against inventories	11,057	10,872
Deficit arising on revaluation of properties, net	3,494	19,169
Operating profit/(loss) before working capital changes	(3,766)	41,135
(Increase)/decrease in inventories	(26,275)	19,386
(Increase)/decrease in receivables, prepayments and deposits	(6,994)	8,996
Increase/(decrease) in trade and bills payables, accruals and other liabilities	27,778	(28,655)
Increase/(decrease) in trust receipt loans	701	(21,909)
Cash generated from/(used in) operations	(8,556)	18,953
Interest received	438	2,290
Interest paid	(6,387)	(15,221)
Hong Kong profits tax paid	–	(30)
Overseas taxes paid	–	1,978
Net cash inflow /(outflow) from operating activities	(14,505)	7,970



Consolidated Cash Flow Statement *(Cont'd)*

Year ended 31 December 2002

	Notes	2002 HK\$'000	2001 HK\$'000 (Restated)
Net cash inflow /(outflow) from operating activities		(14,505)	7,970
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(15,476)	(10,921)
Proceeds from disposal of fixed assets		12,111	4,673
Disposal of subsidiaries	32(b)	6,001	–
Repayment of loan to an officer		43	1,649
Repayment from PRC joint venture partners		–	5,083
Decrease in pledged bank deposits and balances	32(a)	3,699	22,468
Net cash inflow from investing activities		6,378	22,952
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans from immediate holding company		80,096	–
Repayment of loans from immediate holding company		(33,926)	–
New loans from fellow subsidiaries		18,846	–
Repayment of loans from fellow subsidiaries		(9,423)	–
New bank loans		83,923	110,884
Repayment of bank loans		(178,327)	(155,141)
Net cash outflow from financing activities		(38,811)	(44,257)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(46,938)	(13,335)
Cash and cash equivalents at beginning of year		98,769	111,825
Effect of foreign exchange rate changes, net		23	279
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>51,854</u>	<u>98,769</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		51,854	31,118
Non-pledged time deposits with original maturity of less than three months when acquired		–	67,651
		<u>51,854</u>	<u>98,769</u>