

Consolidated Cash Flow Statement

For the year ended 31 December 2002

	2002 HK\$'000	2001 HK\$'000
OPERATING ACTIVITIES		
Loss from operations	(241,335)	(200,156)
Adjustments for:		
Interest income	(5,720)	(15,524)
Dividend income from listed investments	(951)	(5,622)
Loss on disposal of non-trading securities	57,960	1,201
Loss on disposal of property, plant and equipment	416	156
Impairment of property, plant and equipment	—	30,708
(Write back) impairment of land pending development	(4,356)	9,550
Impairment of non-trading securities	38,979	18,883
Impairment of goodwill	—	625
Unrealised holding loss (gain) of trading securities	15,217	(33,497)
Deficit on revaluation of investment properties	23,549	4,272
Depreciation of property, plant and equipment	63,111	77,639
Amortisation of intangible assets	1,493	162
Allowance for bad and doubtful debts	81,719	75,360
Realisation of warrant subscription reserve of a subsidiary	—	(63,050)
Operating cash flow before movements in working capital	30,082	(99,293)
(Increase) decrease in inventories	(26,801)	53,842
Decrease in trading securities	45,888	109,085
Decrease in loans and advances	53,436	2,273
Decrease in properties held for sale	9,794	5,768
(Increase) decrease in trade and other receivables	(179,566)	51,378
Increase (decrease) in cash held on behalf of clients	39,919	(41,631)
(Decrease) increase in advances from associates	(21,271)	2,214
Decrease (increase) in amounts due from related companies	8,972	(459)
(Decrease) increase in client deposits	(43,791)	30,411
Increase (decrease) in trade and other payables	179,759	(89,314)
Cash generated from operations	96,421	24,274
Interest paid	(15,102)	(21,275)
Hong Kong Profits Tax paid	(8,783)	(32,624)
PRC income tax paid	(1,790)	(750)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	70,746	(30,375)

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	NOTES	2002 HK\$'000	2001 HK\$'000
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(31,528)	(42,855)
Acquisition of subsidiaries	37	(22,715)	(15,522)
(Advances to) repayment from associates		(17,510)	30,743
Acquisition of other securities		(12,390)	(27,935)
Net cash outflow from distribution of subsidiaries in specie	38	(7,085)	(12)
Acquisition of additional interests in a subsidiary		(3,600)	—
(Increase) decrease in pledged time deposits		(1,088)	27,500
Reclassification of subsidiary as an associate	39	(394)	—
Additions to land pending development		(347)	—
Proceeds on disposal of other securities		32,544	12,898
Dividends received from associates		25,782	3,423
Disposal of subsidiaries	40	21,489	(992)
Proceeds on disposal of property, plant and equipment		6,951	3,431
Interest received		5,720	15,524
Disposal (acquisition) of other non-current assets		1,708	(1,116)
Dividends received from listed investments		951	5,622
Proceeds on disposal of interest in an associate		—	7,775
Acquisition of additional interests in an associate		—	(15)
Additions to property under development		—	(8)
NET CASH (USED IN) FROM INVESTING ACTIVITIES		(1,512)	18,461
FINANCING ACTIVITIES			
Repayment of borrowings		(185,668)	(149,135)
Dividends paid to minority shareholders of subsidiaries		(17,159)	(17,007)
Repayment of obligations under finance lease		(839)	(2,593)
Repurchase of shares by a subsidiary		(86)	(564)
Net proceeds of rights issues contributed by minority shareholders of a subsidiary		47,602	44,032
Borrowings raised		30,428	223,185
Increase (decrease) in trust receipt loans		14,763	(24,066)
Repayment from (advances to) minority shareholders		4,859	(4,721)
Proceeds on issue of shares by a subsidiary to minority shareholders		40	464
Dividends paid to shareholders		—	(25,403)
Contribution on minority shareholders		—	9,785
Increase in other non-current liabilities		—	2,951
Proceeds on issue of the Company's shares		—	412
NET CASH (USED IN) FROM FINANCING ACTIVITIES		(106,060)	57,340

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NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(36,826)	45,426
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	135,566	91,838
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(21)	(1,698)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	98,719	135,566
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as previously reported		(123,934)
Effect of reclassification of short term loans with less than three months maturity		259,500
Cash and cash equivalents as restated		135,566
Being:		
Bank balances and cash	163,991	170,667
Bank overdrafts	(65,272)	(35,101)
	98,719	135,566