Year ended 31 December 2003

|   | Notes | 2003      | 2002     |
|---|-------|-----------|----------|
|   |       | HK\$'000  | HK\$'000 |
|   |       |           |          |
| CASH FLOWS FROM OPERATING ACTIVITIES                          |       |           |          |
| Profit before tax   |       | 614,450   | 573,600  |
| Adjustments for:  |       |           |          |
| Finance costs   | 7     | 53,797    | 46,754   |
| Share of profits less losses of associates                    |       | (105,296) | (61,208) |
| Interest income   | 5     | (29,311)  | (41,507) |
| Dividend income from an unlisted long term investment         |       |           |          |
| and listed equity securities                                  | 5     | (2,316)   | (1,499)  |
| Loss on disposal of fixed assets                              | 6     | 1,240     | 357      |
| Gain on trading of investments                                | 6     | (1,055)   | _        |
| Gain on disposal of an other investment                       | 6     | -         | (7,547)  |
| Gain on disposal of a long term investment                    | 6     | -         | (65,900) |
| Gain on disposal of subsidiaries                              | 6     | (721)     | _        |
| Depreciation  | 6     | 161,705   | 111,088  |
| Amortisation of a long term investment                        | 6     | 1,400     | 1,400    |
| Amortisation of goodwill                                      | 6     | 40,438    | 36,054   |
| Negative goodwill recognised as income                        | 6     | (3,399)   | (3,401)  |
| Unrealised holding gains on listed debt securities            | 6     | (1,610)   | (18,035) |
| Unrealised holding (gains)/losses on listed equity securities | 6     | (148)     | 350      |
| Write back of provision against inventories                   | 6     | (3,074)   | (2,216)  |
| Provision for/(write back of provision for) doubtful debts    | 6     | (434)     | 1,098    |
| Write off of other investments                                | 6     | 655       | _        |
| Release of reserve upon write off of other investment         | 6     | (1,752)   | _        |
| Surplus on revaluation of investment properties               | 6     | -         | (274)    |
|   | _     |           |          |

Operating profit before working capital changes

724,569

569,114

35

Year ended 31 December 2003

|   | 2003<br>HK\$'000 | 2002<br>HK\$'000 |
|---|------------------|------------------|
| Operating profit before working capital changes                     | 724,569          | 569,114          |
| Increase in inventories   | (826,632)        | (769,008)        |
| Increase in accounts receivable                                     | (38,798)         | (292,650)        |
| Increase in other debtors, prepayments and deposits                 | (493,695)        | (298,200)        |
| Increase in amounts due from fellow subsidiaries                    | (12,432)         | (38,042)         |
| Decrease/(increase) in amount due from the ultimate holding company | 45,070           | (45,070)         |
| Decrease in amounts due from related companies                      | 88,614           | 10,289           |
| Increase in tax prepaid   | -                | (894)            |
| Increase in accounts payable  | 169,196          | 78,652           |
| Increase in other payables and accruals                             | 189,568          | 333,464          |
| Increase/(decrease) in amounts due to fellow subsidiaries           | (32,121)         | 21,084           |
| Decrease in amount due to the immediate holding company             | (14,037)         | (768)            |
| Increase in amounts due to related companies                        | 159,279          | 32,130           |
| Increase/(decrease) in amount due to the ultimate holding company   | 5,388            | (146,845)        |
| Increase/(decrease) in amounts due to                               |                  |                  |
| minority shareholders of subsidiaries                               | (9,393)          | 32,972           |
| Cash used in operations   | (45,424)         | (513,772)        |
| Interest received   | 29,311           | 41,507           |
| Interest paid   | (53,797)         | (46,754)         |
| Hong Kong profits tax paid  | (3,697)          | (5,635)          |
| Mainland China tax paid   | (81,702)         | (68,692)         |
| Mainland China tax refunded   | 3,601            | _                |
| Net cash outflow from operating activities                          | (151,708)        | (593,346)        |

Year ended 31 December 2003

| HK\$'000 HK\$'000   CASH FLOWS FROM INVESTING ACTIVITES    Repayments and advances from associates - 6,528   Advances to a long term investment (3,623) -   Acquisition of a subsidiary (30,03) -   Disposal of subsidiaries 30(c) (148) -   Additional investment in associates - (29,920)   Dividends from disposal of anulisted long term investment - (29,920)   and listed equity securities 2,316 1,499   Proceeds from disposal of a long term investment - 108,925   Net proceeds from disposal of an other investment - 108,925   Net proceeds from investing a long term investment - 10,835   Purchases of other investments - 5,442   Decrease (increase) in time deposits with original maturity - 5,442   Decreases (increases) in time deposits with original maturity  |  | Notes | 2003        | 2002        |
|---|--|-------|-------------|-------------|
| Repayments and advances from associates4.216108Repayments of loan to associates-6,528Advances to a long term investment(3,623)-Acquisition of additional interest in an existing subsidiary(33,063)-Acquisition of additional interest in an existing subsidiary(33,063)-Additional investment in associates-(29,920)Dividends from associates7,00910,162Dividends from associates10,4877,568Net proceeds from disposal of fixed assets10,4877,568Net proceeds from disposal of an other investment-7,547Net proceeds from disposal of an other investment1,055-Purchases of along term investment-7,547Net proceeds from disposal of an other investment-5,442Decrease (included bank deposits14(826,010)(535,322)Decrease in pledged bank deposits14(826,010)(535,322)Decrease in pledged bank deposits2761,562-Proceeds from exercise of share options2761,562-Net cash outflow from investing activities(2,843)13,440Additional capital injection from<br>minority shareholders(14,73)(1,015)Net cash inflow from financing activities(14,73)(1,015)Net cash inflow from financing activities(2,843)13,440Additional capital injection from<br>minority shareholders(14,473)(1,015)Net cash inflow from financing activities(2,843)   |  |       | HK\$'000    | HK\$'000    |
| Repayments of loan to associates-6,528Advances to a long term investment(3,623)-Acquisition of additional interest in an existing subsidiary30(b)(70,308)-Disposal of subsidiaries30(c)(148)Additional investment in associates-(29,920)Dividends from associates-(29,920)Dividends from associates-(29,920)Dividends from associates-10,825Dividends from disposal of fixed assets10,4877,568Net proceeds from disposal of a long term investment-108,925Auchases of a long term investment-7,547Net proceeds from trading of investments1,055-Purchases of other investment(1,320)-Purchases of the investments1,055-Purchases of the investments-5,442Decrease (increase) in time deposits with original maturity-5,442Decrease/(increase) in time deposits with original maturity-102,343of more than three months when acquired(811,763)(470,019)CASH FLOWS FROM FINANCING ACTIVITIESProceeds from material of a subsidiary5675,250Dividends paid(173,569)(125,538)Dividends paid to minority shareholders(14,473)(1,015)Advances from/(repayment to) minority shareholders(14,473)(1,015)Minden paid to minority shareholders(284,149)(356,553)Dividends paid to minority   | CASH FLOWS FROM INVESTING ACTIVITIES                         |       |             |             |
| Repayments of loan to associates-6,528Advances to a long term investment(3,623)-Acquisition of additional interest in an existing subsidiary30(b)(70,308)-Disposal of subsidiaries30(c)(148)Additional investment in associates-(29,920)Dividends from associates-(29,920)Dividends from associates-(29,920)Dividends from associates-10,825Dividends from disposal of fixed assets10,4877,568Net proceeds from disposal of a long term investment-108,925Auchases of a long term investment-7,547Net proceeds from trading of investments1,055-Purchases of other investment(1,320)-Purchases of the investments1,055-Purchases of the investments-5,442Decrease (increase) in time deposits with original maturity-5,442Decrease/(increase) in time deposits with original maturity-102,343of more than three months when acquired(811,763)(470,019)CASH FLOWS FROM FINANCING ACTIVITIESProceeds from material of a subsidiary5675,250Dividends paid(173,569)(125,538)Dividends paid to minority shareholders(14,473)(1,015)Advances from/(repayment to) minority shareholders(14,473)(1,015)Minden paid to minority shareholders(284,149)(356,553)Dividends paid to minority   | Repayments and advances from associates                      |       | 4,216       | 108         |
| Acquisition of a subsidiary30(b)(70,308)-Acquisition of additional interest in an existing subsidiary(33,063)-Disposal of subsidiaries30(c)(148)-Additional investment in associates7,00910,162Dividends from associates7,00910,162Dividends from associates2,3161,499Proceeds from disposal of long term investment-108,925Net proceeds from disposal of an other investment-7,547Net proceeds from disposal of an other investment-7,547Net proceeds from disposal of an other investment-7,547Purchases of ther investments1,0455-Purchases of fixed assets14(826,010)(535,362)Decrease in pledged bank deposits-5,442Decrease in pledged bank deposits-5,442Decrease/(increase) in time deposits with original maturity<br>of more than three months when acquired(811,763)(470,019)CASH FLOWS FROM FINANCING ACTIVITIESProceeds from investing activities(2,843)1,3400Additional capital injection from imminority shareholders<br>of subsidiaries(2,843)1,3400Additional capital injection from imminority shareholders(14,473)(1,015)Net cash inflow from financing activities745,322706,812Net cash inflow from financing activities(218,149)(356,553)Cash and cash equivalents at beginning of year1,263,2801,653,325Cash and cash equivalents   |  |       | -           | 6,528       |
| Acquisition of additional interest in an existing subsidiary(33,063)-Disposal of subsidiaries30(c)(148)-Additional investment in associates-(29,920)Dividends from associates7,00910,0162Dividends received from an unlisted long term investment-108,925and listed equity securities2,3161,499Proceeds from disposal of an other investment-108,925Net proceeds from disposal of an other investment-7,547Net proceeds from trading of investments1,055-Purchases of other investment(1,320)-Purchases of other investments(4,4717)-Purchases of other investment(1,320)-Purchases of three assets14(826,010)Decrease in pledged bank deposits-5,442Decrease in pledged bank and positis-5,442Decrease in pledged bank and positis-5,442Decrease from exercise of share options2761,562Proceeds from exercise of share options2761,66,539Advances from/(repayment to) minority shareholders(2,843)13,440Additional capital injection from<br>minority shareholders(14,473)(1,015)Net cash inflow from financing activities(218,149)(356,53)Dividends paid(14,473)(1,015)102,543Dividends paid to minority shareholders(14,473)(1,015)Net cash inflow from financing activities(218,149)(356,553) <t< td=""><td>Advances to a long term investment</td><td></td><td>(3,623)</td><td>_</td></t<> | Advances to a long term investment                           |       | (3,623)     | _           |
| Disposal of subsidiaries30(c)(148)-Additional investment in associates-(29.920)Dividends from associates7,00910,162Dividends received from an unlisted long term investment-108.925and listed equity securities2,3161.499Proceeds from disposal of a long term investment-108.925Net proceeds from disposal of an other investment-7,547Net proceeds from disposal of an other investment-7,547Net proceeds from disposal of an other investment-7,547Purchase of a long term investment(1,320)-Purchases of other investments(4,717)-Purchases of fixed assets14(826,010)(535,362)Decrease/(increase) in time deposits with original maturity<br>of more than three months when acquired102,343(52,516)Net cash outflow from investing activities(811,763)(470,019)CASH FLOWS FROM FINANCING ACTIVITIES<br>Proceeds from exercise of share options2761,562-New bank and other loans(6,166,539)(3,443,295)Additional capital injection from<br>minority shareholders(2,843)13,440Additional capital injection from<br>minority shareholders of a subsidiary5675,2505,250Dividends paid(14,473)(1,015)12,25,38)12,25,38)12,25,38)Dividents paidCASH AND CASH EQUIVALENTS(218,149)(356,553)26,553,325Cash and cash equivalents at beginning of year1,296,2801,653,                                | Acquisition of a subsidiary                                  | 30(b) | (70,308)    | _           |
| Additional investment in associates-(29,920)Dividends from associates7,00910,162Dividends received from an unlisted long term investment2,3161,499and listed equity securities2,3161,499Proceeds from disposal of along term investment-108,925Net proceeds from disposal of an other investment-7,547Net proceeds from trading of investments1,055-Purchase of a long term investment(4,717)-Purchases of other investments(4,717)-Purchases of other investments(4,717)-Sterease/(increase) in time deposits with original maturityof more than three months when acquired102,343OCASH FLOWS FROM FINANCING ACTIVITIES(811,763)(470,019)CASH FLOWS FROM FINANCING ACTIVITIES(2,843)13,440Additional capital injection from<br>minority shareholders(1,73,569)(1,25,578)Dividends paid(1,73,569)(1,25,578)(1,25,578)Dividends paid to minority shareholders(1,4,473)(1,015)Net cash inflow from financing activities745,322706,812NET DECREASE IN CASH AND CASH EQUIVALENTS(218,149)(356,553)Cash and cash equivalents at beginning of year1,296,2801,653,325Effect of foreign   | Acquisition of additional interest in an existing subsidiary |       | (33,063)    | -           |
| Dividends from associates7.00910.162Dividends received from an unlisted long term investment2.3161.499and listed equity securities2.3161.499Proceeds from disposal of a long term investment-108,925Net proceeds from disposal of an other investment-7.547Net proceeds from trading of investments1.055-Purchase of a long term investment(1.320)-Purchases of fixed assets14(826,010)Oberease() (increase) in time deposits with original maturity<br>of more than three months when acquired102,343Octash autoflow from investing activities(470,019)CASH FLOWS FROM FINANCING ACTIVITIES(811,763)Proceeds from exposition from<br>minority shareholders(2,843)of subsidiaries(2,843)of subsidiaries(2,843)IDividends paid(173,569)Dividends paid(173,569)Dividends from financing activities745,322Cash and torm long activities(214,473)Origon from<br>minority shareholders(143,769)IDividends paid(173,569)Dividends paid(173,569)Dividends paid to minority shareholders(218,149)Oisfe,538)(364,53)Cash and cash equivalents at beginning of year1,296,280I.296,2801,653,325Effect of foreign exchange rate changes, net(23)(422)(422)  | Disposal of subsidiaries                                     | 30(c) | (148)       | -           |
| Dividends received from an unlisted long term investment<br>and listed equity securities2,3161,499Proceeds from disposal of fixed assets10,4877,568Net proceeds from disposal of an other investment-108,925Net proceeds from trading of investments1,055-Purchase of a long term investment(1,320)-Purchases of other investments(4,717)-Purchases of other investments(4,717)-Purchases of fixed assets14(826,010)Decrease in pledged bank deposits-5,442Decrease in pledged bank deposits with original maturity<br>of more than three months when acquired102,343(52,516)Net cash outflow from investing activities(811,763)(470,019)CASH FLOWS FROM FINANCING ACTIVITIES<br>Proceeds from exercise of share options2761,562-New bank and other loans(2,843)13,440Additional capital injection from<br>minority shareholders(173,569)(3,443,25)Dividends paid(173,569)(125,538)125,538)Dividends paid to minority shareholders(14,473)(1,015)Dividends paid to minority shareholders(218,149)(356,553)Cash and cash equivalents at beginning of year1,296,2801,653,325Effect of foreign exchange rate changes, net(23)(492)   | Additional investment in associates                          |       | -           | (29,920)    |
| and listed equity securities2,3161,499Proceeds from disposal of fixed assets10,4877,568Net proceeds from disposal of a long term investment-108,925Net proceeds from disposal of an other investment-7,547Net proceeds from trading of investments1,055-Purchase of a long term investment(1,320)-Purchases of other investments(4,177)-Purchases of fixed assets14(826,010)(535,362)Decrease in pledged bank deposits-5,442Decrease in pledged bank deposits with original maturity<br>of more than three months when acquired102,343(52,516)Net cash outflow from investing activities(811,763)(470,019)CASH FLOWS FROM FINANCING ACTIVITIES<br>Proceeds from /(repayment to) minority shareholders<br>of subsidiaries(2,843)13,440Additional capital injection from<br>minority shareholders of a subsidiary5675,250Dividends paid(173,569)(125,538)Dividends paid(14,473)(1,015)Net cash inflow from financing activities745,322706,812NET DECREASE IN CASH AND CASH EQUIVALENTS(218,149)(356,53)Cash and cash equivalents at beginning of year1,296,2801,653,325Effect of foreign exchange rate changes, net(23)(422)  | Dividends from associates                                    |       | 7,009       | 10,162      |
| Proceeds from disposal of fixed assets10,4877,568Net proceeds from disposal of a long term investment-108,925Net proceeds from disposal of an other investment-7,547Net proceeds from trading of investments1,055-Purchase of a long term investment(1,320)-Purchases of other investments(4,717)-Purchases of other investments(4,717)-Purchases of tixed assets14(826,010)(535,362)Decrease in pledged bank deposits-5,442Decrease in pledged bank deposits-5,442Decrease (increase) in time deposits with original maturity<br>of more than three months when acquired102,343(52,516)Net cash outflow from investing activities(811,763)(470,019)CASH FLOWS FROM FINANCING ACTIVITIES<br>Proceeds from /(repayment to) minority shareholders<br>of subsidiaries(2,843)13,440Additional capital injection from<br>minority shareholders(2,843)13,440Additional capital injection from<br>minority shareholders(14,473)(1,015)Net cash inflow from financing activities745,322706,812NET DECREASE IN CASH AND CASH EQUIVALENTS(218,149)(356,53)Cash and cash equivalents at beginning of year1,296,2801,653,325Effect of foreign exchange rate changes, net(23)(422)   | Dividends received from an unlisted long term investment     |       |             |             |
| Net proceeds from disposal of a long term investment-108,925Net proceeds from disposal of an other investment-7,547Net proceeds from trading of investments1,055-Purchases of a long term investment(1,320)-Purchases of other investments(4,717)-Purchases of fixed assets14(826,010)Decrease in pledged bank deposits-5,442Decrease in pledged bank deposits-5,442Decrease/(increase) in time deposits with original maturity-5,442of more than three months when acquired102,343(52,516)Net cash outflow from investing activities(811,763)(470,019)CASH FLOWS FROM FINANCING ACTIVITIES7,040,6174,257,970Proceeds from exercise of share options2761,562-New bank and other loans(6,166,539)(3,443,295)Advances from/(repayment to) minority shareholders(173,569)(124,3295)Additional capital injection from<br>minority shareholders(14,473)(1,015)Net cash inflow from financing activities745,322706,812NET DECREASE IN CASH AND CASH EQUIVALENTS(218,149)(356,553)Cash and cash equivalents at beginning of year1,296,2801,653,325Effect of foreign exchange rate changes, net(23)(492)  | and listed equity securities                                 |       | 2,316       | 1,499       |
| Net proceeds from disposal of an other investment-7,547Net proceeds from trading of investments1,055-Purchase of a long term investment(1,320)-Purchases of other investments(4,717)-Purchases of fixed assets14(826,010)(535,362)Decrease in pledged bank deposits-5,442Decrease in pledged bank deposits-5,442Decrease/(increase) in time deposits with original maturity<br>of more than three months when acquired102,343(52,516)Net cash outflow from investing activities(811,763)(470,019)CASH FLOWS FROM FINANCING ACTIVITIES<br>Proceeds from exercise of share options2761,562-New bank and other loans(6,166,539)(3,443,295)Advances from/(repayment to) minority shareholders(2,843)13,440Additional capital injection from<br>minority shareholders5675,250Dividends paid(1173,569)(125,538)Dividends paid(14,473)(1,015)Net cash inflow from financing activities745,322706,812NET DECREASE IN CASH AND CASH EQUIVALENTS(218,149)(356,553)Cash and cash equivalents at beginning of year1,296,2801,653,325Effect of foreign exchange rate changes, net(23)(492)   | Proceeds from disposal of fixed assets                       |       | 10,487      | 7,568       |
| Net proceeds from trading of investments1,055-Purchase of a long term investment(1,320)-Purchases of other investments(4,717)-Purchases of fixed assets14(826,010)(535,362)Decrease in pledged bank deposits-5,442Decrease (increase) in time deposits with original maturity<br>of more than three months when acquired102,343(52,516)Net cash outflow from investing activities(811,763)(470,019)CASH FLOWS FROM FINANCING ACTIVITIESProceeds from exercise of share options2761,562-New bank and other loans(6,166,539)(3,443,295)Advances from/(repayment to) minority shareholders<br>of subsidiaries(2,843)13,440Additional capital injection from<br>minority shareholders(173,569)(125,538)Dividends paid(14,473)(1,015)Net cash inflow from financing activities745,322706,812NET DECREASE IN CASH AND CASH EQUIVALENTS(218,149)(356,553)Cash and cash equivalents at beginning of year1,296,2801,653,325Effect of foreign exchange rate changes, net(23)(492)   | Net proceeds from disposal of a long term investment         |       | -           | 108,925     |
| Purchase of a long term investment(1,320)-Purchases of other investments(4,717)-Purchases of thixed assets14(826,010)(535,362)Decrease in pledged bank deposits-5,442Decrease (increase) in time deposits with original maturity<br>of more than three months when acquired102,343(52,516)Net cash outflow from investing activities(811,763)(470,019)CASH FLOWS FROM FINANCING ACTIVITIES7,040,6174,257,970Proceeds from exercise of share options2761,562-New bank and other loans(6,166,539)(3,443,295)Advances from/(repayment to) minority shareholders(2,843)13,440Additional capital injection from<br>minority shareholders117,3,569)(125,538)Dividends paid(14,473)(1,015)Net cash inflow from financing activities745,322706,812NET DECREASE IN CASH AND CASH EQUIVALENTS(218,149)(356,553)Cash and cash equivalents at beginning of year1,296,2801,653,325Effect of foreign exchange rate changes, net(23)(492)  | Net proceeds from disposal of an other investment            |       | -           | 7,547       |
| Purchases of other investments(4,717)-Purchases of fixed assets14(826,010)(535,362)Decrease in pledged bank deposits-5,442Decrease/(increase) in time deposits with original maturity<br>of more than three months when acquired102,343(52,516)Net cash outflow from investing activities(811,763)(470,019)CASH FLOWS FROM FINANCING ACTIVITIES(811,763)(470,019)Proceeds from exercise of share options2761,562-New bank and other loans(6,166,539)(3,443,295)Advances from/(repayment to) minority shareholders(2,843)13,440Additional capital injection from<br>minority shareholders5675,250Dividends paid(173,569)(125,538)Dividends paid(14,473)(1,015)Net cash inflow from financing activities745,322706,812NET DECREASE IN CASH AND CASH EQUIVALENTS(218,149)(356,553)Cash and cash equivalents at beginning of year1,296,2801,653,325Effect of foreign exchange rate changes, net(23)(492)  | Net proceeds from trading of investments                     |       | 1,055       | -           |
| Purchases of fixed assets14(826,010)(535,362)Decrease in pledged bank deposits-5,442Decrease/(increase) in time deposits with original maturity102,343(52,516)Net cash outflow from investing activities(811,763)(470,019)CASH FLOWS FROM FINANCING ACTIVITIES(811,763)(470,019)Proceeds from exercise of share options2761,562-New bank and other loans2761,665,39)(3,443,295)Advances from/(repayment to) minority shareholders(2,843)13,440Additional capital injection from<br>minority shareholders of a subsidiary5675,250Dividends paid(173,569)(125,538)Dividends paid to minority shareholders(144,473)(1,015)Net cash inflow from financing activities745,322706,812NET DECREASE IN CASH AND CASH EQUIVALENTS(218,149)(356,553)Cash and cash equivalents at beginning of year1,296,2801,653,325Effect of foreign exchange rate changes, net(23)(492)  | Purchase of a long term investment                           |       | (1,320)     | -           |
| Decrease in pledged bank deposits-5,442Decrease/(increase) in time deposits with original maturity<br>of more than three months when acquired102,343(52,516)Net cash outflow from investing activities(811,763)(470,019)CASH FLOWS FROM FINANCING ACTIVITIES<br>Proceeds from exercise of share options2761,562-New bank and other loans7,040,6174,257,970Repayments of bank and other loans(6,166,539)(3,443,295)Advances from/(repayment to) minority shareholders<br>of subsidiaries(2,843)13,440Additional capital injection from<br>minority shareholders5675,250Dividends paid(173,569)(125,538)Dividends paid to minority shareholders(144,473)(1,015)Net cash inflow from financing activities745,322706,812NET DECREASE IN CASH AND CASH EQUIVALENTS(218,149)(356,553)Cash and cash equivalents at beginning of year1,296,2801,653,325Effect of foreign exchange rate changes, net(23)(492)  | Purchases of other investments                               |       | (4,717)     | -           |
| Decrease/(increase) in time deposits with original maturity<br>of more than three months when acquired102,343(52,516)Net cash outflow from investing activities(811,763)(470,019)CASH FLOWS FROM FINANCING ACTIVITIES2761,562-Proceeds from exercise of share options277,040,6174,257,970Repayments of bank and other loans(6,166,539)(3,443,295)Advances from/(repayment to) minority shareholders(2,843)13,440Additional capital injection from<br>minority shareholders of a subsidiary5675,250Dividends paid(173,569)(125,538)Dividends paid to minority shareholders(14,473)(1,015)Net cash inflow from financing activities745,322706,812NET DECREASE IN CASH AND CASH EQUIVALENTS(218,149)(356,553)Cash and cash equivalents at beginning of year1,296,2801,653,325Effect of foreign exchange rate changes, net(23)(492)   | Purchases of fixed assets                                    | 14    | (826,010)   | (535,362)   |
| of more than three months when acquired102,343(52,516)Net cash outflow from investing activities(811,763)(470,019)CASH FLOWS FROM FINANCING ACTIVITIESProceeds from exercise of share options2761,562-New bank and other loans7,040,6174,257,970Repayments of bank and other loans(6,166,539)(3,443,295)Advances from/(repayment to) minority shareholders(2,843)13,440Additional capital injection from5675,250Dividends paid(173,569)(125,538)Dividends paid to minority shareholders(14,473)(1,015)Net cash inflow from financing activities745,322706,812NET DECREASE IN CASH AND CASH EQUIVALENTS(218,149)(356,553)Cash and cash equivalents at beginning of year1,296,2801,653,325Effect of foreign exchange rate changes, net(23)(492)   | Decrease in pledged bank deposits                            |       | -           | 5,442       |
| Net cash outflow from investing activities(811,763)(470,019)CASH FLOWS FROM FINANCING ACTIVITIESProceeds from exercise of share options2761,562-New bank and other loans7,040,6174,257,970Repayments of bank and other loans(6,166,539)(3,443,295)Advances from/(repayment to) minority shareholders<br>of subsidiaries(2,843)13,440Additional capital injection from<br>minority shareholders of a subsidiary5675,250Dividends paid(173,569)(125,538)Dividends paid to minority shareholders(14,473)(1,015)Net cash inflow from financing activities745,322706,812NET DECREASE IN CASH AND CASH EQUIVALENTS(218,149)(356,553)Cash and cash equivalents at beginning of year1,296,2801,653,325Effect of foreign exchange rate changes, net(23)(492)   | Decrease/(increase) in time deposits with original maturity  |       |             |             |
| CASH FLOWS FROM FINANCING ACTIVITIESProceeds from exercise of share options27 <b>61,562</b><br><b>7,040,617</b> -New bank and other loans <b>7,040,617</b> 4,257,970Repayments of bank and other loans( <b>6,166,539</b> )(3,443,295)Advances from/(repayment to) minority shareholders<br>of subsidiaries( <b>2,843</b> )13,440Additional capital injection from<br>minority shareholders of a subsidiary <b>5675,250</b> Dividends paid( <b>173,569</b> )(125,538)Dividends paid to minority shareholders( <b>14,473</b> )(1,015)Net cash inflow from financing activities <b>745,322</b> 706,812NET DECREASE IN CASH AND CASH EQUIVALENTS( <b>218,149</b> )(356,553)Cash and cash equivalents at beginning of year <b>1,296,280</b> 1,653,325Effect of foreign exchange rate changes, net( <b>23</b> )( <b>492</b> )   | of more than three months when acquired                      | -     | 102,343     | (52,516)    |
| Proceeds from exercise of share options2761,562-New bank and other loans7,040,6174,257,970Repayments of bank and other loans(6,166,539)(3,443,295)Advances from/(repayment to) minority shareholders(2,843)13,440Additional capital injection from(2,843)13,440Minority shareholders of a subsidiary5675,250Dividends paid(173,569)(125,538)Dividends paid to minority shareholders(14,473)(1,015)Net cash inflow from financing activities745,322706,812NET DECREASE IN CASH AND CASH EQUIVALENTS(218,149)(356,553)Cash and cash equivalents at beginning of year1,296,2801,653,325Effect of foreign exchange rate changes, net(23)(492)   | Net cash outflow from investing activities                   | -     | (811,763)   | (470,019)   |
| New bank and other loans7,040,6174,257,970Repayments of bank and other loans(6,166,539)(3,443,295)Advances from/(repayment to) minority shareholders<br>of subsidiaries(2,843)13,440Additional capital injection from<br>minority shareholders of a subsidiary5675,250Dividends paid(173,569)(125,538)Dividends paid to minority shareholders(14,473)(1,015)Net cash inflow from financing activities745,322706,812NET DECREASE IN CASH AND CASH EQUIVALENTS(218,149)(356,553)Cash and cash equivalents at beginning of year1,296,2801,653,325Effect of foreign exchange rate changes, net(23)(492)   | CASH FLOWS FROM FINANCING ACTIVITIES                         |       |             |             |
| Repayments of bank and other loans(6,166,539)(3,443,295)Advances from/(repayment to) minority shareholders<br>of subsidiaries(2,843)13,440Additional capital injection from<br>minority shareholders of a subsidiary5675,250Dividends paid(173,569)(125,538)Dividends paid to minority shareholders(14,473)(1,015)Net cash inflow from financing activities745,322706,812NET DECREASE IN CASH AND CASH EQUIVALENTS(218,149)(356,553)Cash and cash equivalents at beginning of year1,296,2801,653,325Effect of foreign exchange rate changes, net(23)(492)   | Proceeds from exercise of share options                      | 27    | 61,562      | _           |
| Advances from/(repayment to) minority shareholders<br>of subsidiaries(2,843)13,440Additional capital injection from<br>minority shareholders of a subsidiary5675,250Dividends paid(173,569)(125,538)Dividends paid to minority shareholders(14,473)(1,015)Net cash inflow from financing activities745,322706,812NET DECREASE IN CASH AND CASH EQUIVALENTS(218,149)(356,553)Cash and cash equivalents at beginning of year1,296,2801,653,325Effect of foreign exchange rate changes, net(23)(492)   | New bank and other loans                                     |       | 7,040,617   | 4,257,970   |
| of subsidiaries(2,843)13,440Additional capital injection from<br>minority shareholders of a subsidiary5675,250Dividends paid(173,569)(125,538)Dividends paid to minority shareholders(14,473)(1,015)Net cash inflow from financing activities745,322706,812NET DECREASE IN CASH AND CASH EQUIVALENTS(218,149)(356,553)Cash and cash equivalents at beginning of year1,296,2801,653,325Effect of foreign exchange rate changes, net(23)(492)   | Repayments of bank and other loans                           |       | (6,166,539) | (3,443,295) |
| Additional capital injection from<br>minority shareholders of a subsidiary5675,250Dividends paid(173,569)(125,538)Dividends paid to minority shareholders(14,473)(1,015)Net cash inflow from financing activities745,322706,812NET DECREASE IN CASH AND CASH EQUIVALENTS(218,149)(356,553)Cash and cash equivalents at beginning of year1,296,2801,653,325Effect of foreign exchange rate changes, net(23)(492)   | Advances from/(repayment to) minority shareholders           |       |             |             |
| minority shareholders of a subsidiary5675,250Dividends paid(173,569)(125,538)Dividends paid to minority shareholders(14,473)(1,015)Net cash inflow from financing activities745,322706,812NET DECREASE IN CASH AND CASH EQUIVALENTS(218,149)(356,553)Cash and cash equivalents at beginning of year1,296,2801,653,325Effect of foreign exchange rate changes, net(23)(492)  | of subsidiaries  |       | (2,843)     | 13,440      |
| Dividends paid(173,569)(125,538)Dividends paid to minority shareholders(14,473)(1,015)Net cash inflow from financing activities745,322706,812NET DECREASE IN CASH AND CASH EQUIVALENTS(218,149)(356,553)Cash and cash equivalents at beginning of year1,296,2801,653,325Effect of foreign exchange rate changes, net(23)(492)   | Additional capital injection from                            |       |             |             |
| Dividends paid to minority shareholders(1,015)Net cash inflow from financing activities745,322706,812NET DECREASE IN CASH AND CASH EQUIVALENTS(218,149)(356,553)Cash and cash equivalents at beginning of year1,296,2801,653,325Effect of foreign exchange rate changes, net(23)(492)   | minority shareholders of a subsidiary                        |       | 567         | 5,250       |
| Net cash inflow from financing activities745,322706,812NET DECREASE IN CASH AND CASH EQUIVALENTS(218,149)(356,553)Cash and cash equivalents at beginning of year1,296,2801,653,325Effect of foreign exchange rate changes, net(23)(492)   | Dividends paid   |       | (173,569)   | (125,538)   |
| NET DECREASE IN CASH AND CASH EQUIVALENTS(218,149)(356,553)Cash and cash equivalents at beginning of year1,296,2801,653,325Effect of foreign exchange rate changes, net(23)(492)  | Dividends paid to minority shareholders                      | -     | (14,473)    | (1,015)     |
| Cash and cash equivalents at beginning of year <b>1,296,280</b> 1,653,325Effect of foreign exchange rate changes, net(23)(492)  | Net cash inflow from financing activities                    | -     | 745,322     | 706,812     |
| Effect of foreign exchange rate changes, net (492)  | NET DECREASE IN CASH AND CASH EQUIVALENTS                    |       | (218,149)   | (356,553)   |
|   | Cash and cash equivalents at beginning of year               |       | 1,296,280   | 1,653,325   |
| CASH AND CASH EQUIVALENTS AT END OF YEAR 1,078,108 1,296,280  | Effect of foreign exchange rate changes, net                 | _     | (23)        | (492)       |
|   | CASH AND CASH EQUIVALENTS AT END OF YEAR                     |       | 1,078,108   | 1,296,280   |

Year ended 31 December 2003

|   | Notes | 2003<br>HK\$'000 | 2002<br>HK\$'000 |
|---|-------|------------------|------------------|
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS                                       |       |                  |                  |
| Cash and bank balances<br>Non-pledged time deposits with original maturity of less than | 21    | 557,741          | 535,516          |
| three months when acquired  | -     | 520,367          | 760,764          |
|   |       | 1,078,108        | 1,296,280        |