Consolidated Cash Flow Statement (For the year ended 31st December, 2003)

	2003 HK\$'000	2002 HK\$'000
OPERATING ACTIVITIES		
Profit from operations	41,106	134,791
Less: Profit from operations for the period from 1st January, 2002 to		
30th June, 2002 extracted from the unaudited interim report for		
the period ended 30th June, 2002 as explained in note 2	-	(138,309
Adjustments for:		
Interest income	(2,846)	(74
Depreciation of property, plant and equipment	3,605	271
Gain on disposal of investment properties	(356)	-
Gain on disposal of technical know-how	(8,080)	-
Amortisation of goodwill	2,287	_
Amortisation of technical know-how	311	_
Release of negative goodwill	(86)	_
Gain on disposal of investments in securities	(11)	_
Unrealised gain on investments in securities	(1,296)	(606
Operating cash flows before movements in working capital	34,634	(3,927
Decrease in inventories	1,991	(3,727
Decrease in properties held for sale	3,721	
Decrease (increase) in trade and other receivables	3,578	(10,986
Increase in trade and other payables	3,982	298
· ·	-	308
(Decrease) increase in margin loan payable	(308)	508
Net cash generated from (used in) operations	47,598	(14,307
Interest paid	(1,812)	(11
Overseas taxes (paid) refunded	(120)	3
NET CASH GENERATED FROM (USED IN)	AF 777	(14.215
OPERATING ACTIVITIES	45,666	(14,315

Consolidated Cash Flow Statement (For the year ended 31st December, 2003)

	Note	2003 HK\$'000	2002 HK\$'000
INVESTING ACTIVITIES		2.575	
Interest received		2,767	74
Deposits paid for acquisition of subsidiaries		(12.0(4))	(9,000)
Purchase of property, plant and equipment		(13,064)	(1,199)
Proceeds from disposal of property, plant and			
equipment		6	-
Purchase of subsidiaries (net of cash and cash			
equivalent acquired)	33	(14,994)	(467
Purchase of investments in securities		(14,846)	(4,802
Investment in an associate		-	(2,000
Purchase of investment properties		(242)	-
Advance of loans receivables		(75,849)	-
Decrease (increase) in amount due from a director		30	(30)
Increase in amount due from a minority shareholder		(982)	-
Repayment from loans receivables		12,000	-
Proceeds from disposal of technical know-how		13,314	-
Proceeds from disposal of investment properties		10,256	_
Proceeds from disposal of investments in securities		13,641	_
Proceeds from disposal of an associate		2,000	
NET CASH USED IN INVESTING ACTIVITIES		(65,963)	(17,424)
FINANCING ACTIVITIES			(1.000)
Repayment to immediate holding company		-	(1,029)
New bank loans		14,943	-
Repayment of bank loans		(9,445)	_
Increase in amounts due to related companies		136	334
Increase in amount due to ultimate holding company		52	
NET CASH GENERATED FROM (USED IN)			
FINANCING ACTIVITIES		5,686	(695)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(14,611)	(32,434)
		(11,011)	(52,151)
CASH AND CASH EQUIVALENTS AT THE			
BEGINNING OF THE YEAR		41,566	128,273
MOVEMENT FROM 1ST JANUARY, 2002 TO			(
22ND AUGUST, 2002 (Note)		-	(54,273)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		1,072	
CASH AND CASH EQUIVALENTS AT THE		20.027	41 566
END OF THE YEAR/PERIOD		28,027	41,566
ANALYSIS OF THE BALANCE OF CASH			
AND CASH EQUIVALENTS			
Bank balances and cash		28,027	41,566

Note: As explained in note 2 to the financial statements, the amount represented the difference between the cash and cash equivalents as at 31st December, 2001 and the cash and cash equivalents per the unaudited statement of net assets of the Group as at 22nd August, 2002 prepared by the former management.

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