

# CONSOLIDATED CASH FLOW STATEMENT

31

For the year ended 31 December 2003  
(Expressed in Hong Kong dollars)

	Note	2003		2002	
		\$'000	\$'000	\$'000	\$'000
<b>Operating activities</b>					
Profit from ordinary activities before taxation		<b>120,320</b>		126,939	
Adjustments for:					
— Finance costs		<b>7,664</b>		12,045	
— Interest income		<b>(4,526)</b>		(4,785)	
— Dividend from listed securities		<b>(260)</b>		(659)	
— Dividend from unlisted securities		—		(124)	
— Net realised and unrealised gains on other securities carried at fair value		<b>(562)</b>		(150)	
— Net loss on disposal of investment securities		<b>236</b>		—	
— Net gain on disposal of associates		—		(427)	
— Net loss on disposal of fixed assets		<b>1,069</b>		1,378	
— Write-back of long outstanding payables		<b>(33,185)</b>		(9,891)	
— Net gain on disposal of a subsidiary		<b>(9,097)</b>		—	
— Write-back of provision for bad debts		<b>(7,329)</b>		(16,143)	
— Provision for impairment losses on fixed assets		<b>30,862</b>		18,812	
— Provision for inventories		<b>282</b>		6,920	
— Amortisation of negative goodwill		<b>(1,447)</b>		(1,557)	
— Depreciation		<b>9,050</b>		12,362	
— Share of profits less losses of associates		<b>(19,376)</b>		(10,576)	
<b>Operating profit before changes in working capital carried forward</b>		<b>93,701</b>		134,144	

For the year ended 31 December 2003  
(Expressed in Hong Kong dollars)

	Note	2003		2002	
		\$'000	\$'000	\$'000	\$'000
<b>Operating profit before changes in working capital brought forward</b>		<b>93,701</b>		134,144	
Decrease in inventories		3,507		3,734	
(Increase)/decrease in trade debtors, bills and other receivables, deposits and prepayments		(25,620)		1,022	
Increase in amounts due from fellow subsidiaries		(4,986)		(207)	
Decrease in amounts due from minority shareholders		250		789	
(Increase)/decrease in amounts due from related companies		(10)		909	
Decrease in amounts due from associates		15,725		11,895	
Increase/(decrease) in trade creditors, other payables and accrued charges		14,920		(7,465)	
Increase in amounts due to related companies		1,523		127	
Decrease in amounts due to holding company and fellow subsidiaries		(68)		(18,080)	
Increase/(decrease) in amounts due to associates		703		(2,347)	
(Decrease)/increase in amounts due to minority shareholders		(663)		519	
<b>Cash generated from operations</b>		<b>98,982</b>		125,040	
Interest received		5,446		3,531	
Interest paid		(7,664)		(6,684)	
PRC income tax paid		(13,468)		(10,880)	
<b>Net cash from operating activities</b>			<b>83,296</b>		111,007

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2003  
(Expressed in Hong Kong dollars)

	Note	2003		2002	
		\$'000	\$'000	\$'000	\$'000
<b>Investing activities</b>					
Payment for purchase of fixed assets		(3,700)		(12,309)	
Proceeds on sales of investment securities		303		—	
Proceeds on sales of other securities		128		11,939	
Proceeds on sales of associates		—		541	
Dividends received from listed securities		260		659	
Dividends received from unlisted securities		—		178	
Dividends received from associates		1,340		100	
Proceeds on disposal of fixed assets		125		11	
Net cash inflow from disposal of a subsidiary	30(b)	<u>4,387</u>		<u>—</u>	
<b>Net cash from investing activities</b>			<b>2,843</b>		<b>1,119</b>
<b>Financing activities</b>					
Repayment of convertible notes		(80,000)		(105,000)	
Issue of new shares		2,616		8,223	
Repayment of bank borrowings		(4,812)		(340)	
Proceeds from new bank loans		<u>7,504</u>		<u>—</u>	
<b>Net cash used in financing activities</b>			<b>(74,692)</b>		<b>(97,117)</b>
<b>Increase in cash and cash equivalents</b>			<b>11,447</b>		<b>15,009</b>
<b>Cash and cash equivalents at 1 January</b>			<b><u>243,010</u></b>		<b><u>228,001</u></b>
<b>Cash and cash equivalents at 31 December</b>	23		<b><u>254,457</u></b>		<b><u>243,010</u></b>

The notes on pages 34 to 85 form part of these financial statements.