

Consolidated Cash Flow Statement

Year ended 31 December 2003

	Notes	2003 HK\$	2002 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		39,622,256	15,270,132
Adjustments for:			
Finance costs	10	48,576	58,539
Bank interest income	5	(2,653,598)	(3,686,117)
Dividend income	5	(1,743,522)	(6,323,289)
Share of profits and losses of jointly-controlled entities and an associate		(25,676,793)	(26,626,703)
(Write-back of impairment provisions)/impairment provisions on long term investments		(5,382,802)	6,286,190
Provision for claims	7	4,000,000	—
Provision for bad and doubtful debts		—	119,400,000
Write-back of prior years' accrued interest expenses on settlement of other loans and convertible note		—	(12,000,000)
Gain on cancellation of convertible note		—	(92,000,000)
Depreciation	7	6,533,525	9,703,957
Amortisation	7	2,347,603	2,262,402
Negative goodwill recognised as income for the year		—	(9,833)
Gain on disposal of subsidiaries and an unconsolidated subsidiary		—	(19,224,728)
Loss on disposal of long term investments		—	342,590
Loss on disposal of fixed assets	7	3,099	280,983
Operating profit/(loss) before working capital changes		17,098,344	(6,265,877)
Increase in long term receivable		—	(6,824,089)
Increase in short term investments		(19,800,707)	(22,767,754)
Decrease/(increase) in accounts receivable		(496,884,861)	56,720,763
Decrease/(increase) in loans and advances		1,404,922	(36,817,165)
Decrease in deposits, prepayments and other receivables		1,019,063	735,021
Decrease/(increase) in bank balances held on behalf of customers		(597,395,820)	20,655,815
Increase/(decrease) in accounts payable		1,127,508,196	(87,418,145)
Increase in other payables and accruals		11,717,005	605,368
Cash generated from/(used in) operations		44,666,142	(81,376,063)
Bank interest received		2,653,598	3,686,117
Dividends received from listed and unlisted equity investments		1,743,522	6,323,289
Interest paid		(48,576)	(58,539)
Dividend received from a jointly-controlled entity		26,847,438	44,920,146
Hong Kong profits tax refunded/(paid)		491,332	(3,344,578)
Net cash inflow/(outflow) from operating activities — page 31		76,353,456	(29,849,628)

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Net cash inflow/(outflow) from operating activities — page 30		76,353,456	(29,849,628)
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease/(increase) in other assets		(402,543)	124,765
Purchases of fixed assets	15	(373,759)	(4,383,972)
Proceeds from disposal of long term investments		—	1,119,410
Proceeds from disposal of subsidiaries	32(a)	—	49,726,652
Acquisition of a subsidiary	32(b)	—	552,018
Proceeds from disposal of fixed assets		3,000	5,000
Net cash inflow/(outflow) from investing activities		(773,302)	47,143,873
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of shares	30	—	5,500,000
Payment on cancellation of convertible note		—	(40,000,000)
New bank loans		—	140,000,000
Repayment of bank loans		(35,264,674)	(45,255,796)
Repayment of other loans		(30,000,000)	(56,000,000)
Repayment of loan from a related party		—	(20,000,000)
Dividend paid		(5,307,591)	(5,197,591)
Net cash outflow from financing activities		(70,572,265)	(20,953,387)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		5,007,889	(3,659,142)
Cash and cash equivalents at beginning of year		32,699,762	36,358,904
CASH AND CASH EQUIVALENTS AT END OF YEAR		37,707,651	32,699,762
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	26	25,282,822	12,724,999
Time deposits with original maturity of less than three months when acquired	26	12,424,829	22,424,651
Bank overdrafts, secured	29	—	(2,449,888)
		37,707,651	32,699,762