

## Consolidated Cash Flow Statement

For the year ended 31 December 2003

	2003 HK\$'000	2002 HK\$'000
<b>OPERATING ACTIVITIES</b>		
Profit (loss) from operations	95,681	(225,015)
Adjustments for:		
Allowance for bad and doubtful debts (written back) made	(950)	81,719
Allowance for inventories made (written back)	6,874	(2,349)
Amortisation of intangible assets	1,867	1,493
Decrease in biological assets due to harvest	504	197
Depreciation of property, plant and equipment	62,289	63,111
Dividend income from listed investments	(651)	(951)
Gain arising from changes in fair value of fruit trees	(3,884)	(16,539)
(Gain) loss on disposal of non-trading securities	(13,022)	57,960
Impairment loss on land and buildings written back	(4,446)	—
Impairment loss on land pending development written back	—	(4,356)
Impairment loss recognised on non-trading securities	181	38,979
Interest income	(3,564)	(5,720)
Loss on disposal of property, plant and equipment	678	416
Loss on write-off of fruit trees	7,380	842
(Surplus) deficit on revaluation of investment properties	(588)	23,549
Unrealised holding (gain) loss of trading securities	(33,875)	15,217
Operating cash flow before movements in working capital	114,474	28,553
Increase in inventories	(56,620)	(24,452)
(Increase) decrease in properties held for sale	(2,721)	9,794
Decrease (increase) in trade and other receivables	3,706	(179,566)
Decrease in trading securities	11,917	45,888
Decrease in loans and advances receivables	39,136	53,436
(Increase) decrease in cash held on behalf of clients	(129,434)	39,919
Increase in trade and other payables	37,889	179,759
Increase (decrease) in client deposits	109,288	(43,791)
(Decrease) increase in amounts due to related companies	(1,695)	8,972
Decrease in advances from associates	—	(21,271)
Cash generated from operations	125,940	97,241
Hong Kong Profits Tax paid	(1,260)	(8,783)
PRC income tax paid	(1,035)	(1,790)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>123,645</b>	<b>86,668</b>

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For the year ended 31 December 2003

	NOTES	2003 HK\$'000	2002 HK\$'000
<b>INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment		(46,111)	(31,528)
Purchases of non-trading securities		(44,219)	(12,390)
Advances to associates, net		(3,032)	(17,510)
Acquisition of additional interests in a subsidiary		(944)	(3,600)
Increase in pledged bank deposits		(812)	(1,088)
Proceeds on disposal of non-trading securities		33,971	32,544
Dividends received from associates		24,176	25,782
Interest received		3,564	5,720
Proceeds on disposal of property, plant and equipment		794	6,131
Dividends received from listed investments		651	951
Proceeds from disposal of other non-current assets		81	1,708
Acquisition of subsidiaries	37	—	(22,715)
Net cash outflow from distribution of subsidiaries in specie	38	—	(7,085)
Reclassification of a subsidiary to an associate	39	—	(394)
Additions to land pending development		—	(347)
Disposal of subsidiaries	40	—	21,489
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(31,881)</b>	<b>(2,332)</b>
<b>FINANCING ACTIVITIES</b>			
Repayment of borrowings		(129,132)	(185,668)
(Advances to) repayment from minority shareholders		(18,337)	4,859
(Decrease) increase in trust receipt loans		(17,887)	14,763
Interest paid		(11,523)	(15,102)
Dividends paid to minority shareholders of subsidiaries		(4,988)	(17,159)
Repayment of obligations under finance lease		(4,302)	(839)
Repurchase of shares in a subsidiary from minority shareholders		(525)	(86)
Repayment to associates		(163)	—
Borrowings raised		121,711	30,428
Contribution by minority shareholders		100	—
Net proceeds of rights issues contributed by minority shareholders of a subsidiary		—	47,602
Proceeds on issue of shares by a subsidiary to minority shareholders		—	40
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(65,046)</b>	<b>(121,162)</b>

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For the year ended 31 December 2003

	2003 HK\$'000	2002 HK\$'000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	26,718	(36,826)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	98,719	135,566
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(387)	(21)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	125,050	98,719
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	188,625	163,991
Bank overdrafts	(63,575)	(65,272)
	125,050	98,719