

# Consolidated Cash Flow Statement

Year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before tax		<b>67,261</b>	(566,023)
Adjustments for:			
Depreciation	6	<b>17,789</b>	17,548
Interest expense	7	<b>11,959</b>	15,509
Interest income	5	<b>(342)</b>	(290)
Dividend income from investments	5	<b>(4,355)</b>	(3,367)
Amortisation of goodwill	6	<b>2,151</b>	5,438
Impairment of goodwill	6	<b>—</b>	1,533
Impairment of an associate		<b>3,287</b>	634,952
Impairment of investment securities	6	<b>4,500</b>	6,201
Provision for other receivables	6	<b>3,210</b>	—
Provision/(write-back of provision) for bad and doubtful debts	6	<b>(245)</b>	625
Provision/(write-back of provision) for inventory obsolescence	6	<b>(400)</b>	422
Loss/(gain) on disposal of fixed assets	5,6	<b>(23)</b>	18
Unrealised gain on short term investments	5	<b>(27,922)</b>	(17,532)
Unrealised gain on reclassification of investment securities to short term investments	5	<b>(19,894)</b>	—
Gain on disposal of investment securities	5	<b>(961)</b>	—
Gain on waiver from creditors upon liquidation of a subsidiary	5	<b>(690)</b>	—
Gain on disposal of short term investments	5	<b>(2,049)</b>	(60)
Share of profits less losses of associates		<b>(703)</b>	(39,116)
Exchange adjustments		<b>(861)</b>	(462)
Operating profit before working capital changes		<b>51,712</b>	55,396
Decrease in rental deposits		<b>148</b>	—
Decrease/(increase) in inventories		<b>(773)</b>	9,747
Increase in prepayments, deposits and other receivables		<b>(3,295)</b>	(7,113)
Increase in trade receivables		<b>(2,878)</b>	(3,927)
Decrease in trade payables		<b>(9,654)</b>	(7,646)
Increase/(decrease) in other payables and accrued liabilities		<b>11,599</b>	(6,987)
Cash generated from operations		<b>46,859</b>	39,470
Hong Kong profits tax paid		<b>(2,575)</b>	(7,509)
Net cash inflow from operating activities - page 34		<b>44,284</b>	31,961

## Consolidated Cash Flow Statement (continued)

Year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000
Net cash inflow from operating activities - page 33		<b>44,284</b>	31,961
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		<b>342</b>	290
Dividend received from associates		<b>26,575</b>	18,555
Dividend received from investments		<b>4,355</b>	3,367
Purchases of fixed assets	13	<b>(133,858)</b>	(11,123)
Purchases of short term investments		<b>(2,748)</b>	(3,533)
Proceeds from disposal of investment securities		<b>2,364</b>	—
Proceeds from disposal of fixed assets		<b>182</b>	510
Proceeds from disposal of short term investments		<b>6,790</b>	1,464
Return of capital of investment securities		—	2,335
Net repayment from/(advances to) associates		<b>2,520</b>	(7,931)
Additional investments from minority shareholders		<b>6,188</b>	—
Dividends paid to minority shareholders		<b>(4,500)</b>	(3,840)
Net cash inflow/(outflow) from investing activities		<b>(91,790)</b>	94
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		<b>(11,959)</b>	(15,509)
Repurchase of shares	24	<b>(3,985)</b>	(9,646)
New bank loans, secured		<b>201,735</b>	60,000
New bank loans, unsecured		<b>17,000</b>	6,000
Repayment of bank loans		<b>(119,323)</b>	(57,242)
Dividends paid		<b>(3)</b>	(27,448)
Net cash inflow/(outflow) from financing activities		<b>83,465</b>	(43,845)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>35,959</b>	(11,790)
Cash and cash equivalents at beginning of the year		<b>52,312</b>	64,102
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		<b>88,271</b>	52,312
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and cash balances		<b>47,080</b>	35,312
Time deposits with original maturity of less than three months when placed		<b>41,191</b>	17,000
		<b>88,271</b>	52,312