

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2003

<i>HK\$'million</i>	<i>Notes</i>	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(59)	(256)
Adjustments for:			
Finance costs	7	8	27
Share of profits and losses of jointly-controlled entities and associates		200	28
Interest income	5	(8)	(15)
Depreciation	6	122	122
Amortisation of goodwill	6	1	16
Amortisation of intangible assets	6	30	31
Write off of deferred development costs	6	15	41
Write off of fixed assets	6	18	—
Loss on disposal of fixed assets, net	6	1	9
Net losses/(gains) on disposal/deemed disposal of subsidiaries		12	(599)
Net unrealised holding losses of short term investments		1	383
Net realised losses/(gains) on disposal of short term investments		(5)	12
Impairment of long term investments		—	313
Impairment of fixed assets		2	3
Deficit on revaluation of investment properties		3	—
Impairment of other assets	6	—	2
Net losses on disposal/deemed disposal of associates		—	129
Bad and doubtful debt provisions on trade receivables	6	—	2
Bad and doubtful debt provisions on other receivables	6	—	2
Provision for slow-moving and obsolete stocks	6	8	6
Operating profit before working capital changes		349	256
Increase in inventories		(61)	(37)
Decrease in short term investments		16	106
Increase in trade and bills receivables		(122)	(154)
Decrease/(increase) in prepayments, deposits and other receivables		55	(136)
Increase in trade and bills payables and accruals		272	171
Cash generated from operations		509	206
Interest received		8	15
Interest paid		(8)	(26)
Interest element on finance lease rental payments		—	(1)
Dividend paid		(14)	(4)
Hong Kong profits tax paid		(9)	(7)
Net cash inflow from operating activities		486	183

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Net cash inflow from operating activities		486	183
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(244)	(130)
Proceeds from disposal of fixed assets		9	11
Additions to intangible assets		(47)	(60)
Disposal/deemed disposal of associates		—	87
Disposal/deemed disposal of subsidiaries	35(b)	(1)	(248)
Acquisition of subsidiaries	35(c)	(3)	(7)
Decrease/(increase) in pledged time deposits		(17)	97
Net cash outflow from investing activities		(303)	(250)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of convertible notes		—	(120)
Issue of convertible notes		21	20
New bank loans		93	250
Net repayment of trust receipts		(60)	(1)
Repayment of bank loans		(141)	(253)
Capital element of finance lease rental payments		(4)	(5)
Net cash outflow from financing activities		(91)	(109)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		92	(176)
Cash and cash equivalents at beginning of year		781	957
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		873	781
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	24	379	196
Non-pledged time deposits with original maturity of less than three months when acquired	24	494	587
Bank overdrafts	28	—	(2)
		873	781