

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER, 2003

	<b>2003</b>	2002
	<b>HK\$'000</b>	HK\$'000
OPERATING ACTIVITIES		
Profit (loss) from operations	<b>19,561</b>	(43,845)
Adjustments for:		
Interest income, other than from investments	<b>(54)</b>	(751)
(Surplus) deficit arising on revaluation of investment properties	<b>(2,000)</b>	4,216
Unrealized gain on other investments	<b>(3,704)</b>	–
Depreciation and amortisation of property, plant and equipment	<b>23,209</b>	29,031
Impairment loss on property, plant and equipment	<b>4,750</b>	25,042
Loss on disposal of property, plant and equipment	–	13,594
Allowance for short-term loans receivable	–	5,000
Impairment loss on investment securities	–	1,431
Amortisation of trademarks	–	374
Impairment loss on trademark	–	374
Release of negative goodwill	<b>(780)</b>	(54)
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Operating cash flows before movements in working capital	<b>40,982</b>	34,412
(Increase) decrease in inventories	<b>(3,425)</b>	10,258
(Increase) decrease in investments in securities	<b>(23,038)</b>	1,735
Increase in trade and other receivables	<b>(27,323)</b>	(11,931)
(Increase) decrease in short-term loans receivable	<b>(53,960)</b>	83
Increase in trade and other payables	<b>11,834</b>	1,437
(Decrease) increase in trade payable to a minority shareholder of a subsidiary	<b>(283)</b>	97
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Cash (used in) generated from operations	<b>(55,213)</b>	36,091
Interest paid	<b>(13,066)</b>	(13,139)
The People's Republic of China enterprise income tax refund (payment)	<b>101</b>	(109)
Hong Kong Profits Tax (paid) refund	<b>(26)</b>	28
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<b>NET CASH (USED IN) FROM OPERATING ACTIVITIES</b>	<b>(68,204)</b>	22,871

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FOR THE YEAR ENDED 31ST DECEMBER, 2003

	NOTES	2003 HK\$'000	2002 HK\$'000
INVESTING ACTIVITIES			
Purchase of subsidiaries	28	(56,283)	(251,966)
Purchase of property, plant and equipment		(4,440)	(9,840)
Disposal of subsidiaries	29	28,477	–
Decrease (increase) in pledged bank deposits		21,048	(9,348)
Proceeds from disposal of property, plant and equipment		3,938	2,802
Dividend received from a jointly controlled entity		2,242	2,046
Interest received, other than from investments		54	751
Redemption of debt securities held		–	468
NET CASH USED IN INVESTING ACTIVITIES		(4,964)	(265,087)
FINANCING ACTIVITIES			
Repayment of borrowings		(30,952)	(257,181)
Repayment of borrowings to a minority shareholder of a subsidiary		(6,127)	(4,953)
Borrowings raised		32,509	249,907
Advance from a minority shareholder of a subsidiary		–	2,975
NET CASH USED IN FINANCING ACTIVITIES		(4,570)	(9,252)
DECREASE IN CASH AND CASH EQUIVALENTS		(77,738)	(251,468)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		5	–
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		155,246	406,714
CASH AND CASH EQUIVALENTS CARRIED FORWARD, represented bank balances, deposits and cash		77,513	155,246