

Consolidated Cash Flow Statement

For the year ended 31 December 2003
(Expressed in Hong Kong dollars)

	2003	2002
Note	\$'000	restated \$'000
Operating activities		
Profit from ordinary activities		
before taxation	1,707,284	204,867
Adjustments for:		
– Interest charges	3,603	1,872
– Interest income	(2,509)	(2,559)
– Share of profits less losses of associates	15,182	(945)
– Amortisation and depreciation	8,767	10,399
– Net (gain)/loss on disposal of interest in subsidiaries	(2,853)	3,290
– Gain on disposal of interest in associates	–	(2,285)
– Loss on disposal of unlisted investments	–	12,257
– Loss on sale of property, plant and equipment	1,119	773
– Revaluation deficit on investment properties	5,785	3,490
– Net realised/unrealised gain on equity securities	(1,849,377)	(348,084)
– Impairment loss on non-trading securities	40,420	79,353
– Provision for loan receivable	11,730	3,570
– Gain on deemed disposal of an associate	–	(2,586)
– Impairment loss on goodwill	18,041	–
– Provision for diminution in value of a property held for sale	19,887	–
– Write-off of disposal receivable	8,199	–
Operating loss before changes in working capital	(14,722)	(36,588)

Consolidated Cash Flow Statement

For the year ended 31 December 2003
(Expressed in Hong Kong dollars)

	Note	2003		2002 restated	
		\$'000	\$'000	\$'000	\$'000
Operating activities (Continued)					
Increase in amount due to/from associates (net)		(2,842)		(16,463)	
(Increase)/decrease in inventories		(12,169)		23,813	
Decrease/(increase) in debtors, prepayments and other receivables		53,180		(21,353)	
Decrease/(increase) in gross amount due from customers for contract work		5,278		(10,273)	
(Increase)/decrease in pledged deposits		(12,173)		50,035	
Decrease/(increase) in amounts due from related companies		12,051		(11,672)	
(Decrease)/increase in creditors, accruals and other payables		(48,478)		40,156	
Increase/(decrease) in amounts due to related companies		295		(8,553)	
Foreign exchange		(779)		46	
			(5,637)		45,736
Cash (used in)/generated from operations			(20,359)		9,148
Tax paid:					
– Hong Kong Profits Tax refunded/(paid)		7		(19)	
– PRC tax paid		(2,442)		(3,160)	
Interest received		2,509		2,559	
			74		(620)
Net cash (used in)/generated from operating activities			(20,285)		8,528

Consolidated Cash Flow Statement

For the year ended 31 December 2003
(Expressed in Hong Kong dollars)

		2003		2002 restated	
	Note	\$'000	\$'000	\$'000	\$'000
Investing activities					
Acquisition of subsidiaries		-		(1,733)	
Acquisition of additional equity interest in subsidiary		(4,961)		(16,986)	
Deposit for acquisition of a subsidiary		(236,475)		-	
Disposal of interests in subsidiaries	35(d)	(5,381)		(140)	
Purchase of property, plant and equipment		(69,916)		(9,768)	
Proceeds from sale of property, plant and equipment		519		1,544	
Purchase of investments		(4,791)		(22,358)	
Proceeds from disposal of investments		650,485		-	
Acquisition of associates		-		(38,766)	
Disposal of interest in an associate		-		14,643	
Net cash from/(used in) investing activities			329,480		(73,564)
Financing					
Interest paid		(3,603)		(1,872)	
Capital injection by minority shareholders		-		23,091	
Dividend paid to minority shareholders		(319,988)		(1,083)	
Issue of shares through exercise of share options		198		-	
Issue of convertible notes		220,000		-	
Expenses paid in connection with share issues and conversion of convertible notes		(41)		-	
New other loan		116,475		-	
New bank loans		23,092		46,671	
Repayment of bank loans		(34,670)		(73,058)	
Net cash from/(used in) financing			1,463		(6,251)

Consolidated Cash Flow Statement

For the year ended 31 December 2003
(Expressed in Hong Kong dollars)

	<i>Note</i>	2003		2002 restated	
		\$'000	\$'000	\$'000	\$'000
Net increase/(decrease) in cash and cash equivalents			310,658		(71,287)
Effect on foreign exchange rate changes			(816)		–
Cash and cash equivalents at 1 January			213,692		284,979
Cash and cash equivalents at 31 December	26		523,534		213,692

The notes on pages 34 to 86 form part of these financial statements.