

Consolidated Cash Flow Statement

For the year ended 31 December 2003

	2003 HK\$'000	2002 HK\$'000
OPERATING ACTIVITIES		
Profit before taxation	106,166	18,196
Adjustments for:		
Allowance for advances to associates (written back) made	(41,110)	75,000
Allowance for bad and doubtful debts (written back) made	(15,386)	24,260
Allowance for inventories made (written back)	6,874	(2,349)
Amortisation of goodwill	1,705	1,331
Depreciation and amortisation of property, plant and equipment	50,788	46,226
Gain on disposal of non-trading securities	(8,884)	(3,265)
Impairment loss recognised on land and buildings	26	—
Impairment loss recognised on land pending development	—	1,300
Impairment loss recognised on non-trading securities	2,013	16,419
Interest expenses	9,261	12,144
Interest income	(5,017)	(7,281)
Loss arising from changes in fair value of fruit trees	3,827	—
Loss on disposal of property, plant and equipment	631	236
Net gain on disposal of subsidiaries	—	(99,796)
Share of results of associates	5,527	4,648
Operating cash flows before movements in working capital	116,421	87,069
Decrease (increase) in trade and other receivables	31,488	(90,912)
Increase in inventories	(56,230)	(27,246)
(Increase) decrease in properties held for sale	(2,721)	3,000
Increase in amounts due from fellow subsidiaries	(10)	(3)
Decrease in amount due from a related company	—	2,580
Increase in trade and other payables	11,106	136,530
Decrease in amounts due to fellow subsidiaries	(120)	(20,740)
Cash generated from operations	99,934	90,278
Hong Kong Profits Tax paid	(814)	(9,942)
PRC income tax paid	(762)	—
NET CASH FROM OPERATING ACTIVITIES	98,358	80,336

Consolidated Cash Flow Statement

For the year ended 31 December 2003

	NOTES	2003 HK\$'000	2002 HK\$'000
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(44,418)	(23,262)
Purchase of non-trading securities		(42,305)	(12,390)
Acquisition of subsidiaries	36	(9,971)	(22,715)
Advance to an intermediate holding company		(9,724)	(36,095)
Advances to associates, net		(3,334)	(18,077)
Acquisition of additional interests in a subsidiary		(944)	(3,600)
Increase in pledged bank deposits		(812)	(1,088)
Dividend received from an associate		24,176	14,032
Proceeds on disposal of non-trading securities		20,797	10,888
Interest received		5,017	7,281
Disposal of property, plant and equipment		647	1,501
Disposal of subsidiaries	37	—	21,489
Reclassification of a subsidiary to an associate	38	—	(394)
NET CASH USED IN INVESTING ACTIVITIES		(60,871)	(62,430)
FINANCING ACTIVITIES			
Repayment of bank loans		(106,372)	(60,432)
(Decrease) increase in trust receipt loans		(17,887)	14,763
(Repayment of advances) advances from minority shareholders		(16,929)	4,317
Interests paid		(9,261)	(12,144)
Dividends paid to minority shareholders of subsidiaries		(3,652)	(15,848)
Repayment of obligations under finance leases		(2,844)	(156)
Repayment to associates		(163)	(10,339)
New bank loans raised		118,674	16,428
Capital contribution from minority shareholders of subsidiaries		100	47,602
NET CASH USED IN FINANCING ACTIVITIES		(38,334)	(15,809)

Consolidated Cash Flow Statement

For the year ended 31 December 2003

	2003 HK\$'000	2002 HK\$'000
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(847)	2,097
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	91,581	89,484
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(1,031)	—
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	89,703	91,581
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	124,962	129,403
Bank overdrafts	(35,259)	(37,822)
	89,703	91,581