

# Consolidated Cash Flow Statement

Year ended 31 December 2003

	2003	2002
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(loss) from operating activities	28,241	(35,220)
Adjustments for		
Depreciation of fixed assets	512	640
Impairment loss of fixed assets	419	59
Interest income	(948)	(2,522)
Dividend income from long term unlisted investment	(468)	—
Dividend income from marketable securities	(152)	(37)
Write-back of long outstanding payables	—	(990)
Unrealised (gain)/loss on changes in fair values of marketable securities	(28)	814
Gain on disposal of fixed assets	(35)	(283)
Gain on disposal of marketable securities	(1,432)	(794)
Provision for doubtful debts	—	20,569
Amortisation of goodwill	565	—
Fixed assets written off	23	—
Impairment losses of golf club memberships	460	350
Revaluation deficit on investment properties	—	1,100
Gain on disposal of subsidiaries ( <i>Note 27</i> )	(37,003)	—
Operating loss before working capital changes	(9,846)	(16,314)
Decrease in inventories	34	888
Increase in trade and bills receivables	(57,761)	(319)
Decrease/(increase) in other receivables	2,392	(11,790)
Increase in trade and bills payables	47,424	—
Decrease in other payables and accruals	(1,473)	(11,843)
Decrease in deferred income	(46)	(62)
Cash used in operations	(19,276)	(39,440)
Interest received	937	2,477
Interest paid	(116)	(12)
Dividend received from long term unlisted investment	468	—
Dividend received from investments in marketable securities	152	37
Profits tax refunded	484	485
Profits tax paid	(23)	(238)
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>(17,374)</b>	<b>(36,691)</b>

# Consolidated Cash Flow Statement (con't)

Year ended 31 December 2003

	2003	2002
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>INVESTING ACTIVITIES</b>		
Increase in interest of a jointly-controlled entity	—	(24,266)
Payment for purchase of subsidiaries net of cash acquired ( <i>note 28</i> )	<b>(3,819)</b>	—
Purchases of fixed assets	<b>(898)</b>	(845)
Purchases of marketable securities	<b>(2,061)</b>	(7,415)
Proceeds on disposal of marketable securities	<b>5,117</b>	3,921
Proceeds on disposal of fixed assets	<b>208</b>	2,226
Proceeds on disposal of investment properties	—	21,080
Decrease in interest in an associate	—	688
Increase in amounts due from jointly-controlled entities	—	(773)
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>	<b>(1,453)</b>	(5,384)
<b>FINANCING ACTIVITIES</b>		
Increase in amount due to a jointly-controlled entity	<b>10,383</b>	—
(Decrease)/increase in pledged time deposits	<b>(312)</b>	18,444
Repayment from an associate	<b>480</b>	—
Issue of new shares	<b>11,282</b>	—
Repayment of long term other receivables	<b>280</b>	—
<b>NET CASH INFLOW FROM FINANCING ACTIVITIES</b>	<b>22,113</b>	18,444
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,286</b>	(23,631)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>51,901</b>	75,532
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>55,187</b>	51,901
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Time deposit	<b>51,652</b>	50,057
Cash at banks and on hand	<b>3,535</b>	1,844
	<b>55,187</b>	51,901

The notes on pages 20 to 52 form an integral part of these financial statements.