

Consolidated Cash Flow Statement

For the year ended 31 December 2003

	2003 HK\$'000	2002 HK\$'000 (as restated)
OPERATING ACTIVITIES		
Profit (loss) before taxation	211,162	(377,490)
Adjustments for:		
Interest income	(1,771)	(3,104)
Dividend income	-	(28)
Interest expenses	26,030	40,286
Share of results of associates	(23,727)	(22,902)
Share of results of jointly controlled entities	-	2,458
Loss on deemed disposal of a partial interest in an associate	13,479	-
Loss on disposal of a jointly controlled entity	177	-
Loss on disposal of a discontinued operation	-	206,202
Gain on disposal of subsidiaries	-	(99,503)
Gain on dissolution of a subsidiary	-	(921)
Deficit arising on revaluation of investment properties	1,791	988
(Gain) loss on disposal of property, plant and equipment	(2,303)	3,033
Depreciation and amortisation of property, plant and equipment	70,419	98,978
Impairment loss recognised in respect of property, plant and equipment	-	104,375
Amortisation of intangible assets	1,385	1,843
Amortisation of goodwill	3,634	303
Impairment loss recognised in respect of investment securities	7,982	-
Unrealised holding loss on listed other investments	-	23
Gain on disposal of listed other investments	-	(750)
Write back of allowance for inventories	(2,715)	-
Write back of allowance for bad and doubtful debt, net	(20,360)	-
Allowance for bad and doubtful debt, net	-	43,563
Write off of an amount due from a related company	-	227
Write back of other payables and accrued liabilities	(192)	-
Write back of an amount due to a related company	(765)	-
Write back of provision for a compensation claim	-	(1,014)
Operating cash flows before movements in working capital	284,226	(3,433)
(Increase) decrease in amounts due from customers for contract work	(6,229)	10,869
(Increase) decrease in inventories	(42,019)	29,960
Decrease (increase) in accounts and bills receivable	70,726	(30,218)
(Increase) decrease in prepayments, deposits and other receivables	(30,306)	12,426
Increase in amounts due from related companies	(51,963)	(35,375)
Decrease in amount due from an associate	-	2
(Decrease) increase in amounts due to customers for contract work	(4,069)	1,832
(Decrease) increase in accounts and bills payable	(10,613)	28,403
Increase in other payables and accrued liabilities	39,074	42,505
Decrease in amounts due to related companies	(19,691)	(7,800)
Decrease in provision for a compensation claim	-	(2,806)
Cash generated from operations	229,136	46,365
Interest paid	(26,030)	(40,286)
Income taxes	(23,307)	(3,105)
NET CASH FROM OPERATING ACTIVITIES	179,799	2,974

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For the year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000 (as restated)
INVESTING ACTIVITIES			
Deposit made for acquisition of an investment in an associate		(123,862)	–
Purchase of property, plant and equipment		(22,311)	(25,821)
Deferred product design fees paid		(368)	–
Proceeds from disposal of property, plant and equipment		10,346	692
Dividends received		4,247	2,633
Interest received		1,771	3,104
Proceeds from disposal of a jointly controlled entity		1,050	–
Acquisition of a subsidiary	35	–	(198,216)
Proceeds from disposal of subsidiaries (net of cash and cash equivalent disposed of)	36	–	179,697
Proceeds from disposal of listed other investments		–	8,250
Decrease in pledged deposits		–	2,403
Proceeds from disposal of investment securities		–	151
NET CASH USED IN INVESTING ACTIVITIES		(129,127)	(27,107)
FINANCING ACTIVITIES			
Repayment of amounts advanced from related companies		(287,774)	(292,483)
Repayment of bank borrowings		(153,844)	(236,987)
Dividend paid to minority shareholders of a subsidiary		(1,432)	–
New borrowings raised		239,837	231,041
Net proceeds from issue of shares		111,921	–
Amounts advanced from related companies		35,670	114,523
Repayment of obligations under finance leases		–	(22,281)
Repayment of an advance from a minority shareholder of a subsidiary		–	(2,730)
Proceeds from issue of a convertible note		–	200,000
NET CASH USED IN FINANCING ACTIVITIES		(55,622)	(8,917)
DECREASE IN CASH AND CASH EQUIVALENTS		(4,950)	(33,050)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		158,097	191,147
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		153,147	158,097
Represented by:			
Bank balances and cash		153,305	158,097
Bank overdrafts		(158)	–
		153,147	158,097