

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2003

	Notes	Year ended 31 December 2003 HK\$'000	Period from 1 April 2002 to 31 December 2002 HK\$'000 (restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		202,133	118,735
Adjustments for:			
Finance costs	7	35,813	43,968
Interest income	5	(43,866)	(32,704)
Dividend income from investments	5	(243)	(245)
Waiver of trade payables	5	(2,252)	(1,304)
Early redemption premium		4,228	15,600
Loss on disposal of fixed assets	6	67	1,404
Loss on disposal of intangible assets	6	—	926
Gain on disposal of subsidiaries	35(c)	—	(12,897)
Depreciation	6	74,851	61,544
Amortisation of goodwill	6	10,808	8,728
Amortisation of intangible assets	6	5,549	7,313
Unrealised loss on revaluation of long term listed investments	6	43	—
Unrealised gain on revaluation of short term unlisted investments	6	(629)	—
Gain on disposal of a short term listed investment	5	—	(2)
Impairment of fixed assets	6	4,905	—
Impairment of goodwill	6	12,897	—
Operating profit before working capital changes		304,304	211,066
Decrease/(increase) in inventories		48,803	(54,308)
Increase in amount due from the ultimate holding company		(85)	(14,085)
Decrease/(increase) in prepayments for frame board space		(15,471)	10,143
Increase in an amount due from a PRC subcontractor		(24,553)	(75,579)
Decrease/(increase) in a non-bank financial institution		24,915	(84,541)
Decrease in promissory notes		6,296	35,657
Increase in other debtors and prepayments		(16,440)	(54,132)
Decrease/(increase) in trade debtors and bills receivable		(12,355)	15,364
Increase/(decrease) in trade creditors and bills payable		(7,400)	8,145
Increase in other creditors and accruals		11,317	11,213
Decrease in amounts due to related companies		(7,545)	(1,294)
Increase/(decrease) in provision for post-employment benefits		3,923	(2,395)
Decrease in provision for restructuring		—	(8,343)
Cash generated from/(used in) operations		315,709	(3,089)
Interest paid		(35,122)	(40,380)
Interest element on finance lease and hire purchase rental payments		(434)	(1,848)
Interest on convertible notes		(257)	(1,740)
Hong Kong profits tax paid		(3,575)	(3,751)
Overseas tax refunded/(paid)		7,345	(1,958)
Net cash inflow/(outflow) from operating activities - page 45		283,666	(52,766)

CONSOLIDATED CASH FLOW STATEMENT *(continued)*

Year ended 31 December 2003

	<i>Notes</i>	Year ended 31 December 2003 HK\$'000	Period from 1 April 2002 to 31 December 2002 HK\$'000 (restated)
Net cash inflow/(outflow) from operating activities - page 44		283,666	(52,766)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		43,866	32,704
Dividend received from investments	5	243	245
Purchases of fixed assets		(63,400)	(96,904)
Proceeds from disposal of fixed assets		4,815	13,489
Purchases of intangible assets		—	(11,136)
Acquisition of subsidiaries	35(b)	(4,904)	—
Acquisition of minority interests		—	(8,913)
Disposal of subsidiaries	35(c)	28,000	17,623
Purchases of unlisted investments		—	(3,708)
Proceeds from disposal of listed investments		—	359
Proceeds from disposal of short term unlisted investments		35,933	—
Net cash inflow/(outflow) from investing activities		44,553	(56,241)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repurchase and cancellation of own shares	32	(298)	(5,930)
Issue of shares, net of share issue expenses	32	430,902	—
Share options exercised	32	11,002	8,118
Capital injection from minority shareholders of a subsidiary		870	14,618
Net increase/(decrease) in bank loans		(44,891)	140,641
Increase in an amount due to minority shareholder of a subsidiary		—	4,086
Sale and lease back arrangement		—	8,828
Capital element of finance lease and hire purchase rental payments		(15,082)	(19,201)
Redemption of convertible notes	30	(19,828)	(117,000)
Dividends paid	12	(72,536)	(30,248)
Net cash inflow from financing activities		290,139	3,912
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		618,358	(105,095)
Cash and cash equivalents at beginning of year/period		156,592	278,483
Effect of foreign exchange rate changes, net		(18,353)	(16,796)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		756,597	156,592
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	25	423,445	122,637
Non-pledged time deposits with original maturity of less than three months when acquired	25	466,495	142,628
Bank overdrafts	27	(133,343)	(108,673)
		756,597	156,592