

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2003

	Note	Year ended 31 December 2003 HK\$'000	18-months ended 31 December 2002 HK\$'000
Operating activities			
Operating loss		(109,415)	(486,895)
Adjustments for:			
Interest income		(2,295)	(10,833)
Depreciation		6,881	13,969
Impairment of goodwill		—	264,263
Goodwill amortisation		513	20,550
Loss on disposal of fixed assets		543	2,862
Loss on disposal of investments in non-trading securities		4,047	3,150
Net realised and unrealised (gains)/losses on trading investments		(498)	4,802
Provision for impairment of non-trading securities		58,869	123,553
(Surplus)/deficit on revaluation of investment properties		(5,782)	18,052
Provision for loans receivable		3,482	6,515
Provision for doubtful debts		1,469	7,026
Provision for investment deposit		30,000	—
Provision for long service payments		290	—
Other employee benefits		6,100	—
Loss/(gain) on disposal of subsidiaries		432	(710)
Gain on disposal of investment properties		(1,242)	—
Net exchange loss		8,958	11,719
Write back of provision for doubtful debts/loans receivable		(1,702)	(9,032)
Dividend income		(991)	(1,290)
Other income		(198)	—
Operating loss before changes in working capital		(539)	(32,299)
(Increase)/decrease in statutory and other deposits		(1,184)	147
Decrease in inventories		649	1,900
(Increase)/decrease in accounts receivable		(37,243)	344,706
Decrease/(increase) in sundry debtors, prepayments and deposits		5,025	(36,977)
Decrease in trading investments		127	58,752
Decrease/(increase) in accounts payable		28,759	(158,766)
Decrease in options written		—	(63,611)
Increase in other payables and deposits received		8,088	11,464
Decrease in net amount due to a related company		(5,681)	(20,406)
Decrease in amount due to a former intermediate holding company		—	(31,300)

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	Note	Year ended 31 December 2003 HK\$'000	18-months ended 31 December 2002 HK\$'000
Cash (used in)/generated from operations		(1,999)	73,610
Interest received		2,697	10,144
Interest paid		(11,663)	(6,589)
Dividends received from non-trading securities		991	1,290
Dividends received from an associated company		—	15
Dividends paid to minority shareholders of subsidiaries		(1,679)	(2,283)
Tax paid			
Hong Kong profits tax refund/(paid)		968	(6,481)
Overseas tax paid		(1,377)	(5,223)
Net cash (used in)/from operating activities		(12,062)	64,483
Investing activities			
Purchase of fixed assets		(7,269)	(10,102)
Proceeds from sale of fixed assets		5,787	2,593
Purchase of non-trading securities		—	(147,030)
Proceeds from sale of non-trading securities		37,440	52,556
Issuance of loans receivable		(750)	(20,120)
Repayment of loans receivable		1,633	20,567
Payment for purchase of a subsidiary, net of cash acquired	34 (b)	6,568	(67,768)
Proceeds from disposal of a subsidiary, net of cash disposed of	34 (a) & (b)	(51,504)	50,993
Cash and bank balances disposed of upon group restructuring	34 (c)	—	(26,540)
Payment for acquisition of an associated company		(11,860)	(22,425)
Capital payment for the formation of a jointly controlled entity		(7,800)	—
Advance to a jointly controlled entity		(260)	—
Payment of an investment deposit		(7,808)	—
Net cash used in investing activities		(35,823)	(167,276)

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For the year ended 31 December 2003

	Note	Year ended 31 December 2003 HK\$'000	18-months ended 31 December 2002 HK\$'000
Financing activities			
Issue of ordinary shares		—	61,200
Share issue expenses		(49)	(2,336)
Issue of convertible notes		—	156,400
New loans from former group companies in Japan (notes 25, 26(a) & 26(b))		—	96,439
Repayment of loan from a former substantial shareholder	25	(41,196)	—
Repayment of loans from minority shareholders		(1,525)	—
Repayment of short term loans		(2,536)	(251,910)
Repayment of long term loans		—	(7,512)
Net cash from financing activities		(45,306)	52,281
Net decrease in cash and cash equivalents		(93,191)	(50,512)
Effect of foreign exchange rate changes		—	338
Cash and cash equivalents at beginning of year/period		130,578	180,752
Cash and cash equivalents at end of year/period		37,387	130,578
Analysis of cash and cash equivalents:			
Time deposits, bank balances and cash in the balance sheet		37,387	135,578
Less: Pledged bank deposits		—	(5,000)
Cash and cash equivalents in the cash flow statement		37,387	130,578

Significant non-cash transactions are disclosed in note 34.