

# Consolidated Cash Flow Statement

For the year ended 31 December 2003

Notes	2003 HK\$'000	2002 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss from ordinary activities before taxation	(340,797)	(130,762)
Adjustments for:		
Finance costs	7,387	5,203
Bank interest income	(59)	(102)
Write back of accruals	(2,000)	–
Profit on sale of short term investments	–	(58)
Negative goodwill arising on acquisition of subsidiaries recognised as income	(386)	(749)
Amortisation of goodwill	2,853	3,938
Amortisation of trading rights	–	222
Depreciation	2,294	3,617
Loss/(Gain) on disposal of fixed assets, net	24,559	(33)
Deficit on revaluation of investment properties	21,295	–
Loss on disposal of investment properties	4,771	–
Loss on disposal of subsidiaries, net	115,526	–
Loss on deemed disposal of an interest in a subsidiary	–	1,822
Gain on partial disposal of an interest in an associate	–	(3,569)
Loss on disposal of associates	19,148	–
Impairment loss of goodwill (shown on the face of the consolidated income statement)	–	3,512
Impairment loss of goodwill (included in "loss on discontinued/discontinuing operations" shown on the face of the consolidated income statement)	6,417	–
Impairment loss recognised in relation to an associate (included in "loss on discontinued/discontinuing operations" shown on the face of the consolidated income statement)	3,402	–
Impairment loss of a long term investment	–	18,030
Impairment loss of fixed assets	360	–
Write off of amounts due from associates	84	3,847
Write down in values of properties held for sale	–	2,000
Write off of deposits and expenses for proposed investments	36,553	15,019
Provision for doubtful debts	82,076	792
Results attributable to associates	17,726	66,575
Operating profit/(loss) before working capital changes	1,209	(10,696)
Decrease in inventories	28	1,170
Decrease in properties held for sale	12,622	12,064
Decrease/(Increase) in trade receivables	10,075	(4,888)
Decrease in trade receivables in respect of securities transactions	–	141
Decrease/(Increase) in loan and interest receivables	8,089	(117,086)
Increase in other receivables	(16,246)	(8,859)
Decrease in trade and bills payables	(5,324)	(6,394)
Decrease in trade payables in respect of securities transactions	–	(948)
Increase/(Decrease) in other payables	1,752	(7,434)
Cash generated from/(used for) operations	12,205	(142,930)
Hong Kong profits tax paid	–	(592)
Overseas taxes paid	(62)	–
Net cash generated from/(used in) operating activities	12,143	(143,522)

# Consolidated Cash Flow Statement

For the year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed assets		(207)	(1,140)
Proceeds from disposal of fixed assets		9,402	38
Additions to investment properties		–	(860)
Proceeds from disposal of investment properties		7,629	–
Additions to properties under development		(3,377)	(15,034)
Acquisition of a subsidiary	41(a)	–	25
Disposal of subsidiaries	41(b), (c)	7,521	(4,544)
Deconsolidation of a subsidiary	41(d)	(25)	–
Capital contribution to an associate		(1,941)	–
Acquisitions of associates		–	(24)
Advances to associates		(84)	(3,838)
Proceeds from partial disposal of an interest in an associate		–	2,381
Proceeds from disposal of interests in associates		300	–
Proceeds from sale of short term investments		–	196
Refund of advances for potential investment		2,000	–
Decrease in client bank trust account		–	52
Bank interest received		59	102
Net cash from/(used in) investing activities		21,277	(22,646)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest element on finance lease rental payments		(11)	(11)
Interest paid		(11,089)	(12,644)
Proceeds from issue of share capital		–	125,479
Share issue expenses		–	(996)
Repurchase of share capital		–	(34)
Net (repayments)/additions in trust receipt loans		(7,878)	3,022
Net (repayments)/additions in invoice financing loans		(8,297)	6,344
Capital element of finance lease rental payments		(60)	(95)
New interest-bearing bank and other borrowings		33,537	41,150
Repayment of bank and other borrowings		(40,470)	(11,911)
Capital contributed by minority shareholders		1,891	–
Repayment to minority interests		(306)	(3,870)
Net cash (used in)/from financing activities		(32,683)	146,434
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		737	(19,734)
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>			
		(4,784)	14,165
Effect of foreign exchange rate changes, net		367	785
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>			
		(3,680)	(4,784)
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		857	1,997
Time deposits with original maturity of less than three months when acquired, pledged as security for banking facilities		764	4,732
Bank overdrafts		(5,301)	(11,513)
		(3,680)	(4,784)

The Notes on pages 29 to 87 form an integral part of these financial statements.