

Consolidated Cash Flow Statement (For the year ended 31st December, 2003)

	2003 HK\$'000	2002 HK\$'000
OPERATING ACTIVITIES		
Profit from operations	41,106	134,791
Less: Profit from operations for the period from 1st January, 2002 to 30th June, 2002 extracted from the unaudited interim report for the period ended 30th June, 2002 as explained in note 2	–	(138,309)
Adjustments for:		
Interest income	(2,846)	(74)
Depreciation of property, plant and equipment	3,605	271
Gain on disposal of investment properties	(356)	–
Gain on disposal of technical know-how	(8,080)	–
Amortisation of goodwill	2,287	–
Amortisation of technical know-how	311	–
Release of negative goodwill	(86)	–
Gain on disposal of investments in securities	(11)	–
Unrealised gain on investments in securities	(1,296)	(606)
Operating cash flows before movements in working capital	34,634	(3,927)
Decrease in inventories	1,991	–
Decrease in properties held for sale	3,721	–
Decrease (increase) in trade and other receivables	3,578	(10,986)
Increase in trade and other payables	3,982	298
(Decrease) increase in margin loan payable	(308)	308
Net cash generated from (used in) operations	47,598	(14,307)
Interest paid	(1,812)	(11)
Overseas taxes (paid) refunded	(120)	3
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	45,666	(14,315)

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<i>Note</i>	2003 HK\$'000	2002 HK\$'000
INVESTING ACTIVITIES		
	2,767	74
	–	(9,000)
	(13,064)	(1,199)
	6	–
	(14,994)	(467)
33	(14,846)	(4,802)
	–	(2,000)
	(242)	–
	(75,849)	–
	30	(30)
	(982)	–
	12,000	–
	13,314	–
	10,256	–
	13,641	–
	2,000	–
	(65,963)	(17,424)
FINANCING ACTIVITIES		
	–	(1,029)
	14,943	–
	(9,445)	–
	136	334
	52	–
	5,686	(695)
	(14,611)	(32,434)
	41,566	128,273
	–	(54,273)
	1,072	–
	28,027	41,566
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
	28,027	41,566

Note: As explained in note 2 to the financial statements, the amount represented the difference between the cash and cash equivalents as at 31st December, 2001 and the cash and cash equivalents per the unaudited statement of net assets of the Group as at 22nd August, 2002 prepared by the former management.