

CONSOLIDATED

CASH FLOW STATEMENT

Year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		7,783	5,149
Adjustments for:			
Interest income	5	(3,972)	(3,665)
Interest expenses	7	1,009	2,070
Share of profits of associates, net		(2,625)	(159)
Negative goodwill recognised as income	15	(2,818)	(45)
Gain on disposal of a long term listed investment	5	(185)	—
Gain on disposal of short term listed investments	5	(5,292)	(6,919)
Depreciation	6	2,169	2,359
Loss/(gain) on disposal of fixed assets	5,6	(41)	77
Unrealised losses on listed investments, net	6	3,120	31,451
Gain on disposal of a deconsolidated subsidiary	5	—	(3,741)
Provision for interest in an associate	6	1,120	—
Dividend income from listed investments	5	(798)	(17,477)
Operating profit/(loss) before working capital changes		(530)	9,100
Decrease in interests in deconsolidated subsidiaries		3,415	18,231
Decrease/(increase) in inventories		753	(182)
Decrease/(increase) in trade and bills receivables		(42,665)	63,469
Decrease/(increase) in prepayments, deposits and other receivables		(2,405)	16,101
Decrease in trade and bills payables		(5,451)	(36,433)
Increase/(decrease) in other payables		375	(17,418)
Cash inflow/(outflow) from operating activities		(46,508)	52,868
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income		3,972	3,665
Dividend income from listed investments		798	17,477
Purchases of fixed assets	13	(1,006)	(211)
Additions of long term investments	26	(13,505)	(4)
Advances to investee companies	26	(10,939)	(17,408)
Increase in interests in associates		(1,000)	(16,001)
Purchases of short term listed investments		(13,510)	(91,205)
Deposit for acquisition of a long term investment	26	—	(11,456)
Proceeds from disposal of fixed assets		388	289
Proceeds from disposal of a deconsolidated subsidiary		—	1,355
Proceeds from sales of a long term listed investment		301	—
Proceeds from sales of short term listed investments		30,576	73,047
Net cash outflow from investing activities		(3,925)	(40,452)

CONSOLIDATED CASH FLOW STATEMENT (CONT'D)

Year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Share issue expenses	23	—	(221)
Proceeds from issue of share capital	23	—	10,575
Repayment of bank borrowings		—	(84)
Interest paid		(1,009)	(2,070)
Net cash inflow/(outflow) from financing activities		(1,009)	8,200
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(51,442)	20,616
Cash and cash equivalents at beginning of year		114,427	93,811
CASH AND CASH EQUIVALENTS AT END OF YEAR		62,985	114,427
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	20	52,690	98,537
Non-pledged time deposits with original maturity of less than three months when acquired	20	10,295	15,890
		62,985	114,427