

# CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(189,750)	(199,420)
Adjustments for:			
Finance costs	7	8,917	7,846
Share of profits and losses of a jointly-controlled entity and associates		22,625	11,883
Interest income	5	(498)	(864)
Dividend income from a listed investment	5	—	(19)
Depreciation	6	21,751	20,973
Amortisation of intangible assets	6	1,395	2,454
Amortisation of goodwill	6	1,408	120
Loss/(gain) on disposal of fixed assets		2,015	(16)
Impairment of investment properties	6	10,571	—
Deficit/(surplus) on revaluation of investment properties	6	(1,944)	16,953
Gain on disposal of an associate	5	(565)	—
Provision for an amount due from a jointly-controlled entity	6	1,209	—
Unrealised loss on revaluation of short term investments	6	7	3,246
Provision for prepayments, deposits and other receivables	6	19,841	—
Impairment of a property under development	6	—	8,000
Impairment of long term investments	6	—	2,794
Impairment of goodwill remaining eliminated against capital reserve	6	55,873	90,221
Impairment of fixed assets	6	5,733	—
Provision for amounts due from associates	6	3,963	—
Impairment of interest in an associate	6	—	20,080
Impairment of intangible assets	6	11,037	3,200
Provision for inventories		15,531	701
Provision for bad and doubtful debts	6	11,740	10,317
Provision for deposit for purchase of a property	6	—	13,000
		859	11,469
Operating profit before working capital changes		859	11,469
Decrease/(increase) in inventories		7,442	(478)
Decrease/(increase) in trade receivables		6,637	(19,011)
Decrease/(increase) in prepayments, deposits and other receivables		10,699	(3,657)
Increase in trade and bills payables		11,827	1,118
Decrease in other payables and accruals		(1,797)	(3,530)
Exchange realignments		(436)	—
		35,231	(14,089)
Cash generated from/(used in) operations		35,231	(14,089)
Interest paid		(8,856)	(7,794)
Interest element of finance lease rental payments		(67)	(68)
Hong Kong profits tax refunded/(paid)		225	(193)
Overseas taxes paid		(5,996)	(7,526)
		20,537	(29,670)
Net cash inflow/(outflow) from operating activities		20,537	(29,670)

# CONSOLIDATED CASH FLOW STATEMENT (continued)

Year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000 (Restated)
Net cash inflow/(outflow) from operating activities		<u>20,537</u>	<u>(29,670)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed assets		(11,781)	(11,711)
Proceeds from disposal of fixed assets		310	616
Additions to properties under development		(11,938)	—
Addition to intangible assets		—	(3,292)
Acquisition of subsidiaries	35(b)	(4,005)	(10,915)
Advance to a jointly-controlled entity		(622)	(815)
Advances to associates		—	(3,139)
Repayment from associates		1,630	—
Increase in investment in associates		(2,310)	(37,742)
Proceeds from disposal of an associate		7,477	—
Repayment of mortgage loans receivable		90	289
Increase in pledged time deposits		(3,250)	(750)
Decrease/(increase) in pension scheme asset		(138)	327
Interest received		498	864
Dividends received from associates		2,510	1,042
Dividends received from a listed investment		—	19
Net cash outflow from investing activities		<u>(21,529)</u>	<u>(65,207)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issue of shares	32	4	—
Repurchase of shares	32	(551)	(738)
Share repurchase expenses	32	(2)	(4)
New bank loans		59,183	57,788
Repayment of bank loans		(37,830)	(33,717)
Capital element of finance lease rental payments		(673)	(590)
Net cash inflow from financing activities		<u>20,131</u>	<u>22,739</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<u>19,139</u>	<u>(72,138)</u>
Cash and cash equivalents at beginning of year		39,505	111,699
Effect of foreign exchange rate changes, net		49	(56)
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>58,693</u></u>	<u><u>39,505</u></u>

## CONSOLIDATED CASH FLOW STATEMENT (continued)

Year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000 (Restated)
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	27	48,152	42,757
Non-pledged time deposits with original maturity of less than three months when acquired	27	15,538	78
Time deposits with original maturity of less than three months when acquired, pledged as security for bank overdraft facilities		—	4,000
Bank overdrafts	29	(4,997)	(7,330)
		<u>58,693</u>	<u>39,505</u>