

Consolidated Cash Flow Statement

Year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		34,928	59,250
Adjustments for:			
Finance costs	7	12,871	6,966
Share of profits and losses of a jointly-controlled entity		4,567	(1,449)
Interest income	5	(3,758)	(4,044)
Dividend income from listed other investments	5	(838)	(735)
Loss/(gain) on disposal of fixed assets	6	73	(29)
Loss/(gain) on disposal of other investments		746	(30,951)
Gain on disposal of short term investments	5	(948)	–
Unrealised holding gain on other investments		–	(12,900)
Unrealised holding loss on short term investments	6	–	4,025
Depreciation	6	23,435	22,984
Goodwill amortisation	6	23,349	921
Amortisation of technical know-how	6	375	–
Exchange adjustment		5,015	10,843
Impairment of interest in an associate	6	241	441
Impairment of an investment security	6	390	156
Provision for doubtful debts	6	615	5,387
Operating profit before working capital changes		101,061	60,865
Decrease/(increase) in inventories		(4,081)	885
Increase in trade receivables		(2,560)	(3,128)
Decrease in other receivables, prepayments and deposits		15,806	8,929
Increase in short term investments		–	(7,243)
Decrease in trade payables		(1,872)	(2)
Decrease in other payables and accruals		(18,321)	(8,847)
Decrease in an amount due to a related company		(1,903)	–
Increase in rental deposits		1,816	1,580
Cash generated from operations		89,946	53,039
Interest paid		(9,857)	(6,966)
Hong Kong profits tax paid		(137)	–
Net cash inflow from operating activities		79,952	46,073

Consolidated Cash Flow Statement (Cont'd)

Year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000
Net cash inflow from operating activities		79,952	46,073
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		3,758	4,044
Dividend received from listed other investments		838	735
Purchases of fixed assets	14	(18,649)	(17,101)
Purchases of investment properties	15	–	(44,252)
Purchase of an investment security		–	(28,610)
Decrease/(increase) of pledged deposits		20,312	(20,312)
Acquisition of a subsidiary	40(a)	(59,597)	–
Proceeds from disposal of fixed assets		6	31
Proceeds from disposal of other investments		27,426	64,201
Proceeds from disposal of short term investments		2,340	–
Proceeds from disposal of subsidiaries	40(b)	–	82,949
Loans to an associate		(241)	(441)
Net cash inflow/(outflow) from investing activities		(23,807)	41,244
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	37	11,288	643
Repurchase of shares		–	(13,303)
New bank loans		61,477	128,696
Repayment of bank loans		(93,058)	(72,385)
Capital element of finance lease rental payments		(288)	(289)
Addition of amounts due to directors		203	640
Addition of an amount due to a related company		2,200	–
Dividends paid		(31,914)	(42,806)
Net cash inflow/(outflow) from financing activities		(50,092)	1,196
NET INCREASE IN CASH AND CASH EQUIVALENTS		6,053	88,513
Cash and cash equivalents at beginning of year		136,754	48,433
Effect of foreign exchange rate changes, net		(207)	(192)
CASH AND CASH EQUIVALENTS AT END OF YEAR		142,600	136,754
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	27	70,379	80,823
Non-pledged time deposits with original maturity of less than three months when acquired	27	72,221	55,931
		142,600	136,754