

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2002

(Expressed in Hong Kong dollars)

		2002		2001
Note	\$'000	\$'000	\$'000	restated \$'000
Operating activities				
Profit from ordinary activities before taxation		384,970		172,885
Adjustments for:				
Share of profits less losses of associates		(146,069)		(109,428)
Loss on cessation of mortgage servicing and origination business written back		–		(7,789)
Loss on cessation of department store operation in Tianjin		–		15,731
Amortisation of goodwill		284		284
Recognition of negative goodwill		(350)		(352)
Depreciation and amortisation		61,305		71,459
Net gain on disposal of fixed assets		(3)		(142)
Gain on disposal of investment properties		(48,658)		–
Net realised gain on disposal of non-trading securities		(21,595)		–
Impairment loss on fixed assets		–		11,791
Interest income		(21,825)		(11,722)
Finance cost		52,840		63,584
Dividend from unlisted non-trading securities		(1,486)		(1,698)
(Write back)/net charge of impairment loss on non-trading securities		(5,768)		3,917
		253,645		208,520
Operating profit before changes in working capital				
Decrease in trading securities		54,684		66,550
Decrease in inventories		12,742		8,856
Decrease in debtors, deposits and prepayments		10,616		48,753
Decrease in creditors and accrued charges		(12,583)		(118,185)
(Increase)/decrease in amounts due from fellow subsidiaries		(893)		1,296
Decrease in amounts due to fellow subsidiaries		(2,091)		(3,000)
Decrease/(increase) in amounts due from associates		1,018		(736)
(Increase)/decrease in deposits pledged		(6,223)		4,584
		310,915		216,638
Cash generated from operations				
Tax paid				
Hong Kong Profits Tax paid		(18,940)		(21,926)
Hong Kong Profits Tax refunded		76		821
Overseas tax paid		(2,149)		(2,263)
		(21,013)		(23,368)
Net cash from operating activities carried forward			289,902	193,270

CONSOLIDATED CASH FLOW STATEMENT

(Continued)

For the year ended 31st December, 2002

(Expressed in Hong Kong dollars)

		2002		2001
	Note	\$'000	\$'000	restated \$'000
Net cash from operating activities brought forward			289,902	193,270
Investing activities				
Purchase of fixed assets		(14,897)		(21,853)
Disposal of fixed assets		359,349		38,712
Disposal of non-trading securities		34,084		–
Interest received		21,002		13,503
Dividends received from unlisted non-trading securities		1,486		1,698
Net cash from investing activities			401,024	32,060
Financing activities				
Interest paid		(52,284)		(47,686)
Dividends paid		(85,644)		(38,392)
Repayment of bank loans		(206,195)		(100,347)
Net cash used in financing activities			(344,123)	(186,425)
Net increase in cash and cash equivalents			346,803	38,905
Effect of foreign exchange rates			24,336	(4,709)
Cash and cash equivalents at 1st January			343,540	309,344
Cash and cash equivalents at 31st December	21		714,679	343,540

Included in the above amounts are the following net cash flows related to discontinuing operation for the year ended 31st December, 2002.

	2002	2001
	\$'000	\$'000
Net cash used in operating activities	(19,529)	(16,906)
Net cash from investing activities	340	56
	(19,189)	(16,850)

The notes on pages 29 to 69 form part of these financial statements.