

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2000

	Notes	year ended 31/12/2000 HK\$'000	9 months ended 31/12/1999 HK\$'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	1	43,941	26,584
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(11,408)	(6,473)
Dividends received from associates		1,268	238
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(10,140)	(6,235)
TAXATION			
Hong Kong profits tax refund		168	–
Overseas taxation paid		(491)	(81)
TAX PAID		(323)	(81)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(13,101)	(14,302)
Purchase of subsidiaries (net of cash and cash equivalents acquired)	5	–	(198,855)
Purchase of investment securities		(96,601)	(15,468)
Purchase of other investments		–	(660)
Purchase of license rights		(28,925)	–
Decrease in loans to associates		598	1,603
Loans to jointly controlled entities		(26,815)	–
Proceeds from sale of property, plant and equipment		56	3
Proceeds from sale of a subsidiary in prior year		7,765	–
Proceeds from sale of other investments		935	4,608
Proceeds from sale of investment securities		–	3
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(156,088)	(223,068)
NET CASH OUTFLOW BEFORE FINANCING		(122,610)	(202,800)

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	year ended 31/12/2000 HK\$'000	9 months ended 31/12/1999 HK\$'000
FINANCING		
Issue of ordinary share capital	885,418	371,581
Expenses incurred in issue of shares	(20,157)	(9,655)
Issue of debentures	–	440
Redemption of debentures	(60)	(920)
New loans	–	5,255
Repayments of other loans	–	(5,267)
Capital contributions by minority shareholders	–	500
Increase in pledged bank deposit	(4,271)	(58,005)
NET CASH INFLOW FROM FINANCING	860,930	303,929
INCREASE IN CASH AND CASH EQUIVALENTS	738,320	101,129
CASH AND CASH EQUIVALENTS AT 1 JANUARY/1 APRIL	68,931	(32,210)
EFFECT OF FOREIGN EXCHANGE RATE CHANGE	(366)	12
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	806,885	68,931
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	810,434	68,931
Pledged bank balances	46,590	46,404
Bank overdrafts and loans with maturity within three months	(50,139)	(46,404)
	806,885	68,931

For the year ended 31 December 2000

Notes to the consolidated cash flow statement

1. RECONCILIATION OF LOSS BEFORE TAXATION TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	year ended 31/12/2000 HK\$'000	9 months ended 31/12/1999 HK\$'000
Loss before taxation	(214,005)	(6,715)
Depreciation	28,150	15,236
Amortisation of license rights	7,615	–
Share of results of associates	452	(6)
Share of results of jointly controlled entities	11,541	–
Interest expenses	11,408	6,473
Loss on disposal of property, plant and equipment	1,989	242
Gain on disposal of a subsidiary in prior year	(7,765)	–
(Gain)/loss on disposal of other investments	(105)	23
Deficit on revaluation of land and buildings	52,961	–
Deficit on revaluation of investment properties	1,000	–
Provision for diminution in value of investment securities	105,251	–
Provision for diminution in value of other investments	393	1,637
Provision for diminution in value of and non-recovery of loans to associates	5,563	–
Provision for diminution in value of and non-recovery of loans to jointly controlled entities	15,274	–
Provision for impairment of license rights	21,310	–
Decrease /(Increase) in inventories	52	(168)
Decrease /(Increase) in marketable securities	2,533	(7,820)
Decrease in trade and other receivables	30,024	8,541
(Decrease) /Increase in trade and other payables	(30,298)	9,141
Other non cash items	598	–
Net cash inflow from operating activities	43,941	26,584

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For the year ended 31 December 2000

2. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	year ended 31/12/2000 HK\$'000	9 months ended 31/12/1999 HK\$'000
a) Share capital and share premium		
Balance at 1 January/1 April	920,889	391,917
Issue of ordinary share capital	885,418	371,581
Expenses incurred in issue of shares	(20,157)	(9,655)
Shares issued for non-cash consideration	228,900	167,046
Balance at 31 December	2,015,050	920,889
b) Debentures		
Balance at 1 January/1 April	20,390	20,870
Issue of debentures	–	440
Redemption of debentures	(60)	(920)
Balance at 31 December	20,330	20,390
c) Other loans		
Balance at 1 January/1 April	5,178	5,190
Exchange adjustment	20	–
New loans	–	5,255
Repayments of other loans	–	(5,267)
Balance at 31 December	5,198	5,178
d) Minority interest		
Balance at 1 January/1 April	37,772	11,353
Exchange adjustment	39	38
Capital contributions by minority shareholders	–	500
Purchase of a subsidiary	(85)	85
(Decrease)/Increase in revaluation reserve	(28,517)	28,517
Minority interests' share of results	(9,209)	(2,721)
Balance at 31 December	–	37,772

3. MAJOR NON-CASH TRANSACTIONS

The consideration for the purchase of investment securities amounting to HK\$228,900,000 during the year was in the form of shares of the Company.

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For the year ended 31 December 2000

4. PURCHASE OF SUBSIDIARIES

	year ended 31/12/2000 HK\$'000	9 months ended 31/12/1999 HK\$'000
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Net assets acquired:		
Intangible assets	–	39,632
Property, plant and equipment	–	21,007
Investments in associates	–	9,589
Trade receivables	–	112,503
Other receivables	–	24,593
Amounts due from group companies	–	47
Amount due from holding company	–	3,445
Cash and bank balances	–	23,818
Trade and other payables	–	(129,172)
Tax payable	–	(7,682)
Amounts due to group companies	–	(1,256)
Minority interest	85	(85)
	85	96,439
Goodwill	1,797	462,562
	1,882	559,001
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Satisfied by:		
Cash consideration paid	–	216,352
Ordinary shares	–	167,046
Convertible bonds	–	167,046
Expenses incurred	–	8,557
Plant and equipment	1,646	–
Other receivable	236	–
	1,882	559,001
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5. ANALYSIS OF THE NET OUTFLOW OF CASH AND CASH EQUIVALENTS IN RESPECT OF THE PURCHASE OF SUBSIDIARIES

	year ended 31/12/2000 HK\$'000	9 months ended 31/12/1999 HK\$'000
Cash consideration	–	(216,352)
Expenses paid	–	(6,321)
Cash at bank and in hand acquired	–	23,818
Net outflow of cash and cash equivalents in respect of the purchase of subsidiaries	–	(198,855)