

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2001

(Expressed in Hong Kong dollars)

		2001		2000 restated	
	Note	\$'000	\$'000	\$'000	\$'000
Net cash inflow from operating activities	(a)		212,054		198,147
Returns on investments and servicing of finance					
Interest received		13,503		15,546	
Interest paid		(47,686)		(102,541)	
Interest element of finance lease rentals		–		(114)	
Dividends received from non-trading securities					
– listed		–		893	
– unlisted		1,698		1,872	
Dividends paid		(38,392)		(11,813)	
Net cash outflow from returns on investments and servicing of finance			(70,877)		(96,157)
Taxation					
Hong Kong Profits Tax paid		(21,926)		(7,359)	
Hong Kong Profits Tax refunded		821		–	
Overseas tax paid		(2,263)		(4,957)	
Tax paid			(23,368)		(12,316)
Investing activities					
Purchase of fixed assets		(21,853)		(71,076)	
Disposal of fixed assets		38,712		1,706	
Disposal of listed non-trading securities		–		20,931	
Disposal of interest in associate		–		65,388	
Net cash inflow from investing activities			16,859		16,949
Net cash inflow before financing			134,668		106,623
Financing					
Repayment of bank loans		(48,703)		(62,458)	
Capital element of finance lease rentals		–		(1,510)	
Net cash outflow from financing	(b)		(48,703)		(63,968)
Increase in cash and cash equivalents			85,965		42,655
Disposal on cessation of mortgage servicing and origination business			–		48,080
Effect of foreign exchange rates			(4,709)		(14,598)
Cash and cash equivalents at 1st January			285,969		209,832
Cash and cash equivalents at 31st December	(c)		367,225		285,969

CONSOLIDATED CASH FLOW STATEMENT

(Continued)

For the year ended 31st December, 2001

(Expressed in Hong Kong dollars)

Notes to the Consolidated Cash Flow Statement

(a) Reconciliation of profit from ordinary activities before taxation to net cash inflow from operating activities

	2001	2000
	\$'000	restated \$'000
Profit from ordinary activities before taxation	172,885	98,696
Share of profits less losses of associates	(109,428)	(68,545)
Loss on cessation of mortgage servicing and origination business (written back)/made	(7,789)	13,205
Loss on cessation of department store operation in Tianjin	15,731	-
Profit on disposal of associate	-	(12,634)
Amortisation of goodwill	284	284
Recognition of negative goodwill	(352)	(352)
Depreciation and amortisation	71,459	74,688
(Gain)/loss on disposal of fixed assets	(142)	1,841
Impairment loss on fixed assets	11,791	-
Interest income	(11,722)	(15,200)
Interest and finance lease charges	63,584	89,874
Dividend from non-trading securities		
- listed	-	(893)
- unlisted	(1,698)	(1,872)
Net charge of impairment loss on non-trading securities	3,917	5,289
Profit on disposal of non-trading securities	-	(10,484)
Decrease/(increase) in trading securities	66,550	(3,067)
Decrease/(increase) in inventories	8,856	(21,987)
Decrease/(increase) in debtors, deposits and prepayments	48,753	(13,158)
(Decrease)/increase in creditors and accrued charges	(118,185)	45,755
Decrease in amounts due from fellow subsidiaries	1,296	12,740
(Decrease)/increase in amounts due to fellow subsidiaries	(3,000)	6,195
Increase in amounts due from associates	(736)	(2,187)
Decrease in amount due to immediate holding company	-	(41)
	212,054	198,147
Net cash inflow from operating activities	212,054	198,147

(b) Analysis of changes in financing during the year

	Finance lease obligations	Bank loans
	\$'000	\$'000
Balance at 1st January, 2000	1,510	1,454,581
Cash flow from financing	(1,510)	(62,458)
Disposal on cessation of mortgage servicing and origination business	-	(144,366)
Effect of foreign exchange rates	-	(181,607)
	-	1,066,150
Balance at 31st December, 2000	-	1,066,150

	Bank loans
	\$'000
Balance at 1st January, 2001	1,066,150
Cash flow from financing	(48,703)
Effect of foreign exchange rates	(91,074)
	926,373
Balance at 31st December, 2001	926,373

(c) Analysis of the balances of cash and cash equivalents as shown in the consolidated balance sheet

	2001	2000
	\$'000	\$'000
Cash and bank balances	367,225	337,613
Bank loans and overdrafts repayable within three months	-	(51,644)
	367,225	285,969
	367,225	285,969