

## CONSOLIDATED CASH FLOW STATEMENT

*For the year ended December 31, 2002*

	2002 <i>HK\$'000</i>	2001 <i>HK\$'000</i>
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	279,125	170,900
Adjustments for:		
Share of profit of a jointly controlled entity	(7,916)	(5,183)
Gain on disposal of subsidiaries	–	(4,051)
Impairment loss recognised in respect of property, plant and equipment	–	3,543
Written off of deposit paid for acquisition of property, plant and equipment	–	1,548
Impairment loss recognised in respect of goodwill of an associate	–	2,032
Allowance for doubtful debts	14,276	9,600
Interest expenses	26,682	24,627
Interest income	(2,241)	(2,138)
Depreciation and amortisation	103,818	88,715
Amortisation of intangible assets	14,303	15,255
Amortisation of goodwill	1,546	–
Loss on disposal of property, plant and equipment	7,587	3,596
Gain on partial disposal of interest in a subsidiary	(758)	–
	436,422	308,444
Operating cash flows before movements in working capital	436,422	308,444
Increase in inventories	(126,005)	(18,883)
(Increase) decrease in trade and other receivables	(132,190)	35,528
Decrease (increase) in notes receivable	25,319	(109,198)
Decrease (increase) in trade receivables due from related companies	55,943	(31,856)
(Increase) decrease in amount due from a jointly controlled entity	(2,064)	4,334
Increase in trade and other payables	146,884	104,670
	404,309	293,039
Cash generated by operations	404,309	293,039
Interest received	2,241	2,138
Interest paid	(27,542)	(25,915)
The People's Republic of China income tax paid	(32,268)	(36,777)
Dividends paid to minority shareholders	(458)	(917)
	346,282	231,568
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>346,282</b>	<b>231,568</b>

**CONSOLIDATED CASH FLOW STATEMENT**

(cont'd)

*For the year ended December 31, 2002*

	<i>NOTES</i>	<b>2002</b>	2001
		<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		<b>(302,155)</b>	(276,399)
Purchase of utility rights for electricity and steam		<b>(4,397)</b>	–
Purchase of technical know-how		<b>(3,910)</b>	(3,170)
Development costs incurred		<b>(962)</b>	(21,721)
Repayment of loans receivable		<b>795</b>	7,433
Acquisition of a subsidiary (net of cash and cash equivalents acquired)	29	<b>8,536</b>	–
Proceeds from disposal of property, plant and equipment		<b>8,890</b>	5,472
Dividend received from a jointly controlled entity		<b>4,633</b>	–
Proceeds from disposal of subsidiaries (net of cash and cash equivalents disposed of)	30	–	11,364
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		<b>(288,570)</b>	(277,021)
<b>FINANCING ACTIVITIES</b>			
Bank loans raised		<b>515,843</b>	493,653
Proceeds from issue of shares for cash, net of expenses		<b>27,266</b>	–
Repayment of bank and other loans		<b>(357,451)</b>	(492,714)
Repayment of loan from ultimate holding company		<b>(54,218)</b>	–
Dividend paid		<b>(44,656)</b>	–
Loan from ultimate holding company		–	100,992
<b>NET CASH INFLOW FROM FINANCING ACTIVITIES</b>		<b>86,784</b>	101,931
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>144,496</b>	56,478
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>		<b>179,778</b>	123,300
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD,</b> represented by bank balances and cash		<b>324,274</b>	179,778