

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2002

	Notes	2002 HK\$'000	2001 HK\$'000
			(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit from operating activities		357,274	284,274
Adjustments for:			
Depreciation	7	159,335	112,272
Goodwill amortisation	7	33,409	25,312
Negative goodwill recognised as income	7	(1,090)	—
Loss on disposal of fixed assets	7	24,029	1,984
Interest income	7	(17,227)	(35,947)
Amortisation of trademarks	7	639	—
Impairment of a long term investment	7	643	—
Gain on disposal of a subsidiary		(4,062)	—
Operating profit before working capital changes		552,950	387,895
Decrease/(increase) in inventories		(661,267)	689,222
Increase in trade and bills receivable from third parties		(218,642)	(112,939)
Increase in prepayments, deposits and other receivables		(207,462)	(57,007)
Decrease in net amounts due to related parties		(110,746)	(39,366)
Increase/(decrease) in net amounts due to jointly-controlled entities		(96,774)	97,225
Increase/(decrease) in trade and bills payable to third parties		1,253,547	(391,539)
Increase in other payables and accruals		78,902	147,343
Increase/(decrease) in an amount due to the ultimate holding company		(935)	935
Cash generated from operations		589,573	721,769
Interest paid		(10,634)	(24,185)
Income taxes paid		(46,536)	(78,325)
Net cash inflow from operating activities		532,403	619,259

	Notes	2002 HK\$'000	2001 HK\$'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets	15	(213,321)	(123,781)
Purchases of trademarks	16	(24,798)	—
Proceeds from disposal of fixed assets		88,758	14,614
Decrease/(increase) in pledged bank deposits		(26,228)	38,678
Acquisition of subsidiaries, net of cash acquired	35(a)	(2,440)	(96,254)
Formation of an associate		—	(14,953)
Acquisition/formation of jointly-controlled entities		(700,061)	(70,162)
Disposal of a subsidiary, net of cash disposed	35(b)	(71,277)	—
Disposal of an associate		15,039	—
Disposal of jointly-controlled entities		35,786	—
Interest received		17,227	35,947
Dividend received from a jointly-controlled entity		—	4,860
Net cash outflow from investing activities		(881,315)	(211,051)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		400,000	28,038
Repayment of bank loans		(23,665)	(192,992)
Proceeds from issue of share capital upon exercise of share options	33	112,585	—
Repayment of a loan from the ultimate holding company		—	(139,131)
Contribution from minority shareholders		3,000	4,122
Dividend paid	34	(75,869)	(87,893)
Net cash inflow/(outflow) from financing activities		416,051	(387,856)
INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		1,021,009	1,000,928
Effect of foreign exchange rate changes, net		5,039	(271)
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,093,187	1,021,009
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		1,093,187	1,021,009