

## CONSOLIDATED CASH FLOW STATEMENT

*For the year ended 31 December 2002*

*(Expressed in Hong Kong dollars)*

	<b>2002</b>	2001 <i>(restated)</i>
<i>Note</i>	<b>\$'000</b>	\$'000
<b>Operating activities</b>		
Profit from ordinary activities before taxation	<b>126,939</b>	12,435
Adjustments for:		
— Finance costs	<b>12,045</b>	1,273
— Interest income	<b>(4,785)</b>	(6,217)
— Dividend from listed securities	<b>(659)</b>	(2,760)
— Dividend from unlisted securities	<b>(124)</b>	(450)
— Net realised and unrealised gain on other securities carried at fair value	<b>(150)</b>	(1,840)
— Net gain on disposal of associates	<b>(427)</b>	(14,699)
— Write-back of long outstanding payables	<b>(9,891)</b>	(15,124)
— Net loss on disposal of fixed assets	<b>1,378</b>	28,127
— Provision for impairment losses on fixed assets	<b>18,812</b>	12,183
— Write-back of provision for bad debts	<b>(16,143)</b>	—
— Provision for inventories	<b>6,920</b>	—
— Amortisation of negative goodwill	<b>(1,557)</b>	—
— Depreciation	<b>12,362</b>	17,198
— Share of profits less losses of associates	<b>(10,576)</b>	12,220
— Net gain on restructuring	—	(48,436)
— Net gain on liquidation of subsidiaries	—	(4,828)
— Provision for the amounts due from minority shareholders	—	20,985
— Provision for impairment loss on cessation of operation of an associate	—	8,198
— Provision for certain payments to suppliers	—	5,084
	<b>134,144</b>	23,349
<b>Operating profit before changes in working capital carried forward</b>	<b>134,144</b>	23,349

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For the year ended 31 December 2002

(Expressed in Hong Kong dollars)

	2002	2001
	\$'000	(restated) \$'000
Note		
<b>Operating profit before changes in working capital brought forward</b>	<b>134,144</b>	23,349
Decrease in inventories	3,734	22,596
Decrease/(increase) in trade debtors, bills and other receivables, deposits and prepayments	1,022	(12,163)
Increase in amounts due from fellow subsidiaries	(207)	(140)
Decrease/(increase) in amounts due from minority shareholders	789	(1,589)
Decrease/(increase) in amounts due from related companies	909	(353)
Decrease in amounts due from associates	11,895	20,777
Decrease in trade creditors, other payables and accrued charges	(7,465)	(36,735)
Increase/(decrease) in amounts due to related companies	127	(812)
(Decrease)/increase in amounts due to holding company and fellow subsidiaries	(18,080)	18,318
(Decrease)/increase in amounts due to associates	(2,347)	4,049
Increase in amounts due to minority shareholders	519	—
<b>Cash generated from operations</b>	<b>125,040</b>	37,297
Interest received	3,531	4,805
Interest paid	(6,684)	(339)
Hong Kong Profits Tax paid	—	(6,946)
PRC income tax paid	(10,880)	—
<b>Net cash from operating activities</b>	<b>111,007</b>	34,817

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<b>Investing activities</b>			
Payment for purchase of fixed assets		<b>(12,309)</b>	(8,650)
Proceeds on sales of other securities		<b>11,939</b>	3,610
Proceeds on sales of associates		<b>541</b>	—
Dividends received from listed securities		<b>659</b>	2,760
Dividends received from unlisted securities		<b>178</b>	450
Dividends received from associates		<b>100</b>	3,121
Proceeds on disposal of fixed assets		<b>11</b>	578
Net cash outflow from liquidation of subsidiaries	<i>30(c)</i>	—	(14,132)
Net cash inflow from purchase of subsidiaries	<i>30(b)</i>	—	61,692
<b>Net cash from investing activities</b>		<b>1,119</b>	49,429
<b>Financing activities</b>			
Repayment of convertible notes		<b>(105,000)</b>	—
Issue of new shares		<b>8,223</b>	69,208
Repayment of bank borrowings		<b>(340)</b>	(471)
Repayment of shareholders' loans to immediate holding company		—	(19,157)
Repayment of other loans		—	(15,754)
<b>Net cash (used in)/from financing activities</b>		<b>(97,117)</b>	33,826
<b>Increase in cash and cash equivalents</b>		<b>15,009</b>	118,072
<b>Cash and cash equivalents at 1 January</b>		<b>228,001</b>	109,929
<b>Cash and cash equivalents at 31 December</b>	<i>23</i>	<b>243,010</b>	228,001

The notes on pages 40 to 92 form part of these financial statements.