

Consolidated Cash Flow Statement

For the year ended 31st December, 2002

	Notes	2002 HK\$'000	2001 HK\$'000
Operating Activities			
Profit from operations		574,916	356,212
Adjustments for:			
Interest income		(13,738)	(14,412)
Amortisation/write-off of intangible assets		4,716	1,379
Amortisation of goodwill		9,858	4,927
Release of negative goodwill to income		(2,799)	(2,395)
Depreciation and amortisation on property, plant and equipment		262,612	209,900
Impairment loss of investment securities recognised		6,673	4,204
(Profit) loss on disposal of property, plant and equipment		(16,073)	5,179
Loss on disposal of a subsidiary	31	1,345	–
Loss on disposal of an associate		108	–
Operating cash flows before movements in working capital		827,618	564,994
(Increase) decrease in inventories		(680,181)	175,978
Increase in trade and other receivables, deposits and prepayments		(397,117)	(31,969)
Decrease (increase) in bills receivable		70,579	(176,405)
(Increase) decrease in trade receivable from an associate		(4,249)	4,850
Increase in trade and other payables		116,175	186,620
Increase in bills payable		1,006,475	386,726
Increase (decrease) in warranty provision		50,622	(6,407)
Cash generated from operations		989,922	1,104,387
Interest paid		(83,978)	(91,000)
Hong Kong Profits Tax paid		(26,176)	(20,140)
Overseas Tax paid		(47,870)	(5,108)
Overseas Tax refunded		870	3,282
Net Cash from Operating Activities		832,768	991,421
Investing Activities			
Interest received		13,738	14,412
Proceeds from disposal of property, plant and equipment		35,396	1,938
Purchase of property, plant and equipment		(238,016)	(188,768)
Acquisition of an associate		(17,550)	–
Purchase of investments in securities		(4,076)	(7,221)
Additions to intangible assets		(11,388)	(382)
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	30	(15,593)	(102,778)
Disposal of a subsidiary (net of cash and cash equivalents disposed of)	31	(275)	–
Decrease (increase) in pledged bank deposit		27,300	(27,300)
Repayment from (advances to) associates		9,745	(28,833)
Deposit paid for acquisition of a subsidiary		–	(148,200)
Payment of consideration for prior year acquisitions		–	(4,466)
Net Cash used in Investing Activities		(200,719)	(491,598)

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Notes	2002 HK\$'000	2001 HK\$'000
Financing Activities		
Dividend paid to minority shareholders	(3,301)	–
Dividend paid	(83,755)	(60,057)
Proceeds from issue of shares	397,380	17,369
Share issue expenses	(11,954)	–
New bank loans obtained	312,000	28,915
Increase in trust receipt loans	15,748	48,595
Repayment of obligations under finance leases	(10,719)	(10,575)
Repayment of bank borrowings	(64,918)	(169,316)
Net Cash from (used in) Financing Activities	550,481	(145,069)
Net Increase in Cash and Cash Equivalents	1,182,530	354,754
Cash and Cash Equivalents at Beginning of the Year		
As previously reported	448,000	138,030
Effect of reclassification of trust receipt loans	137,567	88,972
As restated	585,567	227,002
Effect of Foreign Exchange Rate Changes	(14,197)	3,811
Cash and Cash Equivalents at End of the Year	1,753,900	585,567
Analysis of the Balances of Cash and Cash Equivalents		
Cash and cash equivalent as previously reported		448,000
Effect of reclassification of trust receipt loans		137,567
		585,567
Represented by:		
Bank balances, deposits and cash	1,855,491	616,739
Bank overdrafts	(101,591)	(31,172)
	1,753,900	585,567