

Cash Flow Statement

For the year ended 20th February 2003

	2003 HK\$'000	2002 HK\$'000
OPERATING ACTIVITIES		
Profit before taxation	138,195	247,671
Adjustments for:		
Gain on disposal of investment securities and other investments	(33,322)	–
Net gain on disposal of property, plant and equipment	(84)	(34,005)
Net unrealised loss (gain) on revaluation of other investments	1,584	(33,729)
Interest expense	143,864	170,798
Dividends received on listed investments	(1,423)	(1,136)
Depreciation	25,931	26,082
Operating cash flows before movements in working capital	274,745	375,681
Increase in allowance for bad and doubtful debts	87,183	58,196
Decrease in amount due from an associate	140	392
Decrease in hire purchase debtors	59,176	36,322
Increase in instalment loans receivable	(73,374)	(135,220)
Decrease (increase) in credit card receivables	1,061,671	(84,588)
Increase in retained interests in securitisation trust	(653,614)	–
Decrease (increase) in prepayments, deposits, interest receivable and other debtors	37,725	(51,824)
Decrease in creditors and accrued charges	(10,941)	(9,588)
Increase in amount due to securitisation trust	31,136	–
(Decrease) increase in amount due to immediate holding company	(52)	14
Decrease in amount due to a fellow subsidiary	(9,571)	(883)
Increase in amount due to ultimate holding company	1	–
Cash generated from operations	804,225	188,502
Tax paid	(35,032)	(35,657)
Interest paid	(138,459)	(170,593)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	630,734	(17,748)
INVESTING ACTIVITIES		
Net proceeds from disposal of investment securities and other investments	71,825	–
Dividends received	1,423	1,136
Proceeds from disposal of property, plant and equipment	403	25,000
Decrease in pledged time deposits	25,350	–
Cash reserves retained in securitisation trust	(79,000)	–
Purchase of property, plant and equipment	(31,754)	(53,146)
Investment in an associate	(9,593)	–
NET CASH USED IN INVESTING ACTIVITIES	(21,346)	(27,010)

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FINANCING ACTIVITIES		
Dividends paid	(54,434)	(54,439)
New bank loans raised	310,000	627,800
Repayment of bank loans	(517,800)	(635,000)
Repayment of issued debt securities	(204,597)	–
NET CASH USED IN FINANCING ACTIVITIES	(466,831)	(61,639)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	142,557	(106,397)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	92,207	198,604
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	234,764	92,207
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as previously reported	–	(230,593)
Effect of reclassification of short term bank loans	–	322,800
	–	92,207
Being:		
Time deposits	153,580	6,700
Bank balances and cash	82,429	87,453
Bank overdrafts	(1,245)	(1,946)
	234,764	92,207