

# CONSOLIDATED CASH FLOW STATEMENT

Year ended 30 June 2003

	Notes	2003 HK\$'000	2002 HK\$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit from operating activities		<b>446,711</b>	253,436
Adjustments for:			
Interest income	7	<b>(19,959)</b>	(17,075)
Depreciation of fixed assets	8	<b>90,192</b>	73,857
Provision for bad and doubtful debts	8	<b>14,350</b>	27,136
Loss on disposal/write-off of fixed assets, net	8	<b>11,401</b>	15,429
Write-off of amounts due from a related company	8	<b>–</b>	3,974
Gain on disposal of discontinued operations	7	<b>–</b>	(8,740)
Gain on partial disposal of interests in subsidiaries	7	<b>(52,400)</b>	(19,961)
Operating profit before working capital changes		<b>490,295</b>	328,056
Decrease/(increase) in trade receivables		<b>40,168</b>	(94,736)
Increase in inventories		<b>(26,446)</b>	(9,898)
Increase in prepayments, deposits and other receivables		<b>(39,367)</b>	(48,257)
Increase in amounts due from related companies		<b>(10,081)</b>	(4,222)
Increase in trade payables		<b>32,695</b>	11,427
Increase in trust receipt loans		<b>122,440</b>	93,437
Increase/(decrease) in amount due to minority equity/shareholders, net	34(b)(iii)	<b>(70,244)</b>	38,446
Increase in accrued liabilities and other payables		<b>15,212</b>	78,361
Cash generated from operations		<b>554,672</b>	392,614
Interest paid		<b>(39,342)</b>	(39,629)
Interest element on finance lease rental payments		<b>(1,392)</b>	(2,743)
Hong Kong profits tax paid		<b>(392)</b>	(114)
Overseas tax paid		<b>(88,806)</b>	(85,749)
Net cash inflow from operating activities:			
Continuing operations		<b>424,740</b>	255,889
Discontinued operations		<b>–</b>	8,490
		<b>424,740</b>	264,379
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed assets		<b>(171,039)</b>	(208,768)
Proceeds from sales of fixed assets		<b>1,119</b>	–
Deposits paid	16	<b>(116,338)</b>	–
Proceeds from partial disposal of interests in subsidiaries		<b>52,400</b>	–
Proceeds from disposal of subsidiaries	5	<b>255,000</b>	199,659
Interest received		<b>19,959</b>	17,075
Increase in pledged bank deposits		<b>(37,664)</b>	(53,518)
Increase in non-pledged time deposits with original maturity of more than three months when acquired		<b>(562,391)</b>	–
Net cash inflow/(outflow) from investing activities:			
Continuing operations		<b>(813,954)</b>	(245,211)
Discontinued operations		<b>255,000</b>	199,659
		<b>(558,954)</b>	(45,552)

# CONSOLIDATED CASH FLOW STATEMENT (cont'd)

Year ended 30 June 2003

	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i> (Restated)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Exercise of warrants to subscribe for new ordinary shares in the Company	<b>38,541</b>	10,112
Exercise of options to subscribe for new ordinary shares in the Company	<b>36,707</b>	19,210
Capital contribution by minority interests	<b>107,403</b>	131,589
New bank loans	<b>152,166</b>	49,000
New other loans	<b>2,825</b>	28
Repayment of bank loans	<b>(11,112)</b>	(17,816)
Repayment of other loans	<b>(94)</b>	(94)
Capital element of finance lease rental payments	<b>(17,733)</b>	(23,278)
Dividends paid	<b>(96,257)</b>	(119,962)
Dividends paid by a subsidiary to minority shareholders	<b>(20,134)</b>	–
Net cash inflow from financing activities:		
Continuing operations	<b>192,312</b>	48,789
Discontinued operations	–	–
	<b>192,312</b>	48,789
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>58,098</b>	267,616
Cash and cash equivalents at beginning of year	<b>1,250,535</b>	982,919
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>1,308,633</b>	1,250,535
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	<b>941,099</b>	557,833
Deposits with financial institutions	<b>229,637</b>	224,055
Non-pledged time deposits with original maturity of less than three months when acquired	<b>137,897</b>	468,647
	<b>1,308,633</b>	1,250,535