

Consolidated Cash Flow Statement

Year ended 31 December 2002

	2002 HK\$'000	2001 HK\$'000
		(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	530,142	660,346
Adjustments for:		
Finance costs	1,494,119	1,566,474
Share of profit of a jointly-controlled entity	(62,320)	(39,320)
Share of profits less losses of associates	(111,208)	(28,332)
Interest income	(31,457)	(60,692)
Depreciation	426,100	461,308
Amortisation of deferred expenses and reusable packaging materials	11,665	24,438
Amortisation of trademarks	700	1,400
Amortisation of the operating right	493,287	494,096
Amortisation of prepaid rental	111,009	111,190
Amortisation of goodwill	238	119
Investment property revaluation deficit	89,432	68,129
Hotel property revaluation deficit/(surplus), net	(2,763)	4,196
Impairment of investment securities	1,890	932
Unrealised losses on revaluation of other investments	2,747	5,114
Impairment of trademarks	—	4,100
Impairment of properties under development	28,800	22,682
Reversal of impairment loss of properties under development	—	(21,000)
Impairment of investments in and loans to associates	—	11,224
Reversal of impairment loss of investment in an associate	—	(3,761)
Write-back of provision against an amount due from a fellow subsidiary	(3,207)	(8,000)
Impairment of fixed assets	55,343	39,440
Impairment of goodwill arising from acquisitions of subsidiaries and associates previously dealt with in reserves	—	21,918
Reversal of impairment loss of deconsolidated subsidiaries	—	(19,140)
(Gain)/Loss on disposal of subsidiaries, net	(2,939)	8,481
Loss on disposal of properties under development	—	9,079

Consolidated Cash Flow Statement (continued)

Year ended 31 December 2002

	2002 HK\$'000	2001 HK\$'000 (Restated)
Loss on disposal of fixed assets, net	13,857	20,518
Loss on disposal of certain interest in a subsidiary	—	3,087
Impairment of a contractual joint venture	110,253	—
Provision against inventories	8,327	10,871
Provision for doubtful debts	40,906	24,394
Compensation payments in respect of the planned curtailment of operations of a subsidiary	—	4,616
Negative goodwill recognised as income	(11,003)	(10,286)
Gain on disposal of a deconsolidated subsidiary	(850)	—
Gain on disposal of associates, net	(34,447)	—
Gain on disposal of Leather Ware Operation	(636)	—
Gain on discontinuation of Curtain Wall Operation	—	(25,534)
Operating profit before working capital changes	3,157,985	3,362,087
Decrease in amounts due from associates	170,177	18,349
Increase in amounts due to associates	—	47
Decrease in an amount due from a contractual joint venture	—	127
Decrease/(Increase) in an amount due from a jointly-controlled entity	7,899	(6,651)
Decrease in receivables, prepayments and deposits	213,797	150,714
Decrease in loan receivables	540	38,400
Decrease in the current portion of other investments	17,004	7,442
Decrease in inventories	26,504	288,377
Increase in properties under development	—	(176,810)
Decrease in an amount due from a related company	131	112
Decrease/(Increase) in amounts due from minority shareholders of subsidiaries	6,767	(13,541)
Decrease in trade payables, accruals and other liabilities	(121,235)	(835,627)
Increase/(decrease) in amounts due to minority shareholders of subsidiaries	14,817	(12,799)
Decrease in amounts due from deconsolidated subsidiaries	—	10,953
Decrease/(Increase) in amount due from immediate holding company	1,185	(135)
Increase/(decrease) in amounts due to immediate holding company	(60,906)	64,069
Decrease in amounts due from fellow subsidiaries	1,063	—
Increase in amounts due to fellow subsidiaries	2,635	—

Consolidated Cash Flow Statement (continued)

Year ended 31 December 2002

	Notes	2002 HK\$'000	2001 HK\$'000
			(Restated)
Cash generated from operations		3,438,363	2,895,114
Interest received		31,457	67,889
Interest paid		(1,264,677)	(1,621,521)
Finance charges for the amendment in respect of the Swap Agreement and debt refinancing of the GH Holdings Group		(249,120)	—
Interest element of finance lease rental payments		—	(268)
Dividends from associates		102,448	1,412
Dividends paid to minority shareholders		(213,338)	(232,440)
Hong Kong profits tax paid		(5,341)	(4,134)
Mainland China tax paid		(92,179)	(161,955)
Net cash inflow from operating activities		1,747,613	944,097
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(107,034)	(135,028)
Additions to other long term assets		(613,894)	(477,180)
Decrease in non-pledged bank deposits with original maturity of more than three months when acquired		952	45,281
Acquisition of additional interests in subsidiaries		(22,256)	(42,521)
Return of capital from investment securities		12,461	18,930
Repayment of loans advanced to a fellow subsidiary		71,343	49,871
Disposal of subsidiaries	46(b)	26,001	317,413
Proceeds from disposal of fixed assets		107,525	319,873
Proceeds from disposal of investment properties		1,649	3,000
Proceeds from disposal of associates		39,201	—
Proceeds from disposal of properties under development		74,711	—
Decrease/(Increase) in pledged bank deposits and balances	46(a)	57,153	(41)
Net cash inflow/(outflow) from investing activities		(352,188)	99,598

Consolidated Cash Flow Statement (continued)

Year ended 31 December 2002

	2002 HK\$'000	2001 HK\$'000
		(Restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of new ordinary shares	15,617	—
Share issue expenses	—	(60)
Capital contributed by minority interests	—	1,794
New bank loans	13,749,606	1,414,855
Loans from immediate holding company	510,219	113,241
Repayment of bank loans	(2,283,830)	(1,933,637)
Repayment of transferable loan instruments	(148,106)	(100,568)
Redemption of floating rate notes	(137,067)	(150,482)
Repayment of Notes Payable and GH Holdings Debts	(12,394,956)	(405,620)
Redemption of bonds	(233,094)	(235,010)
Repayment of provision for bank loans guaranteed	(200,348)	(191,950)
Repayment of a loan from an associate	(37,690)	—
Capital element of finance lease rental payments	—	(179)
Net cash outflow from financing activities	(1,159,649)	(1,487,616)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	235,776	(443,921)
Cash and cash equivalents at beginning of period	1,534,634	1,978,311
Effect of foreign exchange rate changes, net	—	244
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,770,410	1,534,634
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,400,275	1,254,119
Non-pledged bank deposits with original maturity of less than three months when acquired	370,135	282,871
Bank overdrafts	—	(2,356)
	1,770,410	1,534,634