

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		733,690	653,905
Adjustments for:			
Finance costs		32,929	12,159
Share of profits and losses of:			
Jointly-controlled entities		(337,675)	(373,325)
Associate		—	53
Amortisation/impairment of goodwill on acquisition of jointly-controlled entities		78,433	29,642
Loss on deemed disposal of interest in a jointly-controlled entity		—	38,825
Gain on disposal of discontinued operations of jointly-controlled entities and an associate		—	(3,985)
Depreciation	6	161,363	159,335
Goodwill amortisation	6	33,410	33,409
Negative goodwill recognised as income	6	(654)	(1,090)
Loss on disposal of fixed assets	6	1,416	24,029
Interest income	6	(9,188)	(17,227)
Amortisation of trademarks	6	2,892	639
Impairment of a long term investment	6	—	643
Gain on disposal of subsidiaries	31(a)	(1,331)	(4,062)
Loss on cessation of a subsidiary		1,987	—
Operating profit before working capital changes		697,272	552,950
Decrease/(increase) in inventories		128,400	(661,267)
Increase in trade and bills receivables from third parties		(929,860)	(218,642)
Decrease/(increase) in prepayments, deposits and other receivables		38,332	(207,462)
Increase/(decrease) in net amounts due to related parties		148,451	(110,746)
Decrease in net amounts due to jointly-controlled entities		(11,120)	(96,774)
Increase in trade and bills payables to third parties		115,989	1,253,547
Increase in other payables and accruals		71,986	78,902
Increase in net amount due from the ultimate holding company		(24,343)	(935)
Cash generated from operations		235,107	589,573
Interest paid		(32,682)	(10,634)
Income taxes paid		(46,967)	(46,536)
Net cash inflow from operating activities		155,458	532,403

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Year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets	14	(324,666)	(213,321)
Purchases of trademarks		—	(24,798)
Proceeds from disposal of fixed assets		28,748	88,758
Decrease/(increase) in pledged bank deposits		84,141	(26,228)
Prepayment for the acquisition of a subsidiary		(47,815)	—
Acquisition of subsidiaries	31(b)	—	(2,440)
Acquisition/formation of jointly-controlled entities		(14,282)	(700,061)
Acquisition of minority interests of a subsidiary		(3,000)	—
Disposal of subsidiaries	31(a)	7,251	(71,277)
Disposal of an associate		—	15,039
Disposal of jointly-controlled entities		—	35,786
Interest received		9,188	17,227
Dividend received from jointly-controlled entities		157,184	—
Net cash outflow from investing activities		(103,251)	(881,315)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		19,811	400,000
Repayment of bank loans		(30,159)	(23,665)
Proceeds from issue of share capital upon exercise of share options	29	70,117	112,585
Contribution from minority shareholders		33,962	3,000
Dividend paid	30	(185,483)	(75,869)
Dividend paid to minority shareholders		(472)	—
Net cash inflow/(outflow) from financing activities		(92,224)	416,051
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		1,093,187	1,021,009
Effect of foreign exchange rate changes, net		16,392	5,039
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,069,562	1,093,187
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		1,069,562	1,093,187