

Consolidated Cash Flow Statement

Year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000
			(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		1,672,562	530,142
Adjustments for:			
Finance costs	9	616,582	1,494,119
Share of profit of a jointly-controlled entity		(63,359)	(62,320)
Share of profits less losses of associates		(53,713)	(111,208)
Interest income	7	(19,028)	(31,457)
Depreciation	7	362,150	426,100
Amortisation of deferred expenses	7	8,154	4,998
Amortisation of reusable packaging materials	7	2,023	6,667
Amortisation of operating right	7	493,287	493,287
Amortisation of trademarks	7	—	700
Amortisation of prepaid rental	7	111,010	111,009
Amortisation of goodwill	7	238	238
Investment property revaluation deficit, net	7	89,416	89,432
Hotel property revaluation surplus, net	7	(62,010)	(2,763)
Impairment of fixed assets	7	23,554	55,343
Impairment of interest in a jointly-controlled entity	7	60,000	—
Impairment of a contractual joint venture	7	—	110,253
Impairment of investment securities	7	10,256	1,890
Impairment of properties under development	7	26,836	28,800
Loss on disposal of fixed assets, net	7	415	13,857
Loss on disposal of investment properties	7	977	260
Unrealised losses on revaluation of other investments	7	—	2,747
Write-back of provision for impairment in a deconsolidated subsidiary	7	(46,895)	—
Write-back of provision against an amount due from a fellow subsidiary	7	(994)	(3,207)
Provision against inventories, net	7	9,771	8,327
Provision for/(write-back of provision against) doubtful debts, net	7	(58,031)	40,906
Negative goodwill recognised as income	7	(11,633)	(11,003)
Gain on disposal of a deconsolidated subsidiary	7	—	(850)
Gain on disposal of Leather Ware Operation		—	(636)
Gain on disposal of subsidiaries and associates, net	7	(19,474)	(37,386)
Operating profit before working capital changes — page 63		3,152,094	3,158,245

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	Notes	2003 HK\$'000	2002 HK\$'000
			(Restated)
Operating profit before working capital changes — page 62		3,152,094	3,158,245
Decrease/(increase) in an amount due from a jointly-controlled entity		(274)	7,899
Decrease in amounts due from associates		1,995	170,177
Decrease in amounts due to associates		(5,279)	—
Decrease in loan receivables		22,452	540
Decrease/(increase) in current portion of other investments		(48)	17,004
Decrease in an amount due from a related company		136	131
Decrease in an amount due from the immediate holding company		—	1,185
Decrease/(increase) in amounts due from minority shareholders of subsidiaries		(329)	6,767
Decrease/(increase) in amounts due from fellow subsidiaries		(431)	1,063
Decrease/(increase) in inventories		(196,880)	26,504
Decrease/(increase) in receivables, prepayments and deposits		(453,277)	213,797
Increase/(decrease) in trade payables, accruals and other liabilities		184,432	(121,235)
Increase/(decrease) in amounts due to fellow subsidiaries		(772)	2,635
Increase/(decrease) in an amount due to the immediate holding company		1,037	(60,906)
Increase in amounts due to minority shareholders of subsidiaries		9,122	14,817
Cash generated from operations		2,713,978	3,438,623
Interest received		29,303	31,457
Interest paid	9	(488,285)	(1,264,677)
Finance charges paid for the amendment in respect of the Swap Agreement and the debt refinancing of GH Holdings	9	—	(249,120)
Finance charges paid for interest rate swap agreements	9	(153,908)	—
Dividends from associates		57,045	102,448
Dividends paid to minority shareholders		(229,841)	(213,338)
Hong Kong profits tax paid		(957)	(5,341)
Mainland China tax paid		(109,389)	(92,179)
Net cash inflow from operating activities		1,817,946	1,747,873

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			(Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(47,434)	(107,034)
Additions to other long term assets		(693,129)	(613,894)
Acquisition of additional interests in subsidiaries		(11,073)	(22,256)
Return of capital from investment securities		—	12,461
Advance to an associate		(61,139)	—
Repayment of a loan to contractual joint venture		135,345	—
Repayment of loans advanced to a fellow subsidiary		—	71,343
Disposal of subsidiaries and associates	48(b)	693,528	65,202
Proceeds from disposal of fixed assets		22,467	107,525
Proceeds from disposal of investment properties		11,693	1,389
Proceeds from disposal of properties under development		—	74,711
Decrease/(increase) in restricted/pledged cash and bank balances		(16,487)	57,153
Decrease/(increase) in non-pledged bank deposits with original maturity of more than three months when acquired		(78,284)	952
Net cash outflow from investing activities		(44,513)	(352,448)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of new ordinary shares	45	51,818	15,617
New bank loans		1,012,776	13,749,606
Repayment of bank loans		(1,746,006)	(2,283,830)
Loans from the immediate holding company		202,031	568,284
Repayment of loans to the immediate holding company		(327,965)	(58,065)
Repayment of transferable loan instruments		(265,034)	(148,106)
Redemption of floating rate notes		(245,282)	(137,067)
Repayment of Notes Payable and GH Holdings Debts		(174,958)	(12,394,956)
Redemption of 2005 Guaranteed Bonds		(417,085)	(233,094)
Repayment of provision for bank loans guaranteed		(358,521)	(200,348)
Repayment of a loan from an associate		—	(37,690)
Net cash outflow from financing activities		(2,268,226)	(1,159,649)

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			(Restated)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(494,793)	235,776
Cash and cash equivalents at beginning of year		1,770,410	1,534,634
Effect of foreign exchange rate changes, net		(4,988)	—
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,270,629	1,770,410
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	48(c)		
Cash and bank balances		827,758	1,400,275
Non-pledged bank deposits with original maturity of less than three months when acquired		442,871	370,135
		1,270,629	1,770,410