

# CONSOLIDATED Cash Flow Statement

For the year ended 31 December 2000  
(Expressed in Hong Kong dollars)

	Note	2000		1999	
		\$'000	\$'000	\$'000	\$'000
<b>Net cash inflow from operating activities</b>	a		<b>89,173</b>		<b>189,059</b>
<b>Returns on investments and servicing of finance</b>					
Dividends received		486		756	
Interest received		36,029		39,644	
Interest paid		(1,377)		(1,210)	
Dividends paid		(333,800)		(180,998)	
Dividends paid to minority shareholders		(3,017)		—	
<b>Net cash outflow from returns on investments and servicing of finance</b>			<b>(301,679)</b>		<b>(141,808)</b>
<b>Taxation</b>					
Hong Kong profits tax paid		(10,717)		(14,121)	
Overseas tax paid		(7,207)		(4,467)	
<b>Tax paid</b>			<b>(17,924)</b>		<b>(18,588)</b>
<b>Investing activities</b>					
Proceeds from disposal of fixed assets		156		3,902	
Payment for purchase of fixed assets		(128,341)		(46,936)	
Proceeds from disposal of non-trading securities		200,522		98,296	
Purchase of non-trading securities		(171,151)		(67,562)	
Increased investment in associate		(11,628)		—	
<b>Net cash outflow from investing activities</b>			<b>(110,442)</b>		<b>(12,300)</b>
<b>Net cash (outflow)/inflow before financing carried forward</b>			<b>(340,872)</b>		<b>16,363</b>

**Consolidated Cash Flow Statement** (continued)

For the year ended 31 December 2000  
(Expressed in Hong Kong dollars)

	Note	2000 \$'000	1999 \$'000
<b>Net cash (outflow)/inflow before financing brought forward</b>		<b>(340,872)</b>	<b>16,363</b>
<b>Financing</b>			
Repayment of bank loans	<i>b</i>	(3,930)	(12,833)
Proceeds on issue of shares	<i>b</i>	15,887	36,815
Repurchase of own shares	<i>b</i>	(3,769)	–
Capital contribution by minority shareholder	<i>b</i>	3,605	–
<b>Net cash inflow from financing</b>		<b>11,793</b>	<b>23,982</b>
<b>(Decrease)/increase in cash and cash equivalents</b>		<b>(329,079)</b>	<b>40,345</b>
<b>Effect of foreign exchange rates</b>		<b>(535)</b>	<b>(654)</b>
<b>Cash and cash equivalents at 1 January</b>		<b>510,522</b>	<b>470,831</b>
<b>Cash and cash equivalents at 31 December</b>	<i>c</i>	<b>180,908</b>	<b>510,522</b>

**Consolidated Cash Flow Statement** *(continued)*

*For the year ended 31 December 2000  
(Expressed in Hong Kong dollars)*

*Notes to the Consolidated Cash Flow Statement*

**(a) Reconciliation of operating profit to net cash inflow from operating activities**

	<b>2000</b>	1999
	<b>\$'000</b>	\$'000
Operating profit	<b>215,886</b>	299,482
Interest income	<b>(37,246)</b>	(39,721)
Dividend income	<b>(486)</b>	(756)
Realised gains on disposal of non-trading securities	<b>(3,941)</b>	(8,794)
Depreciation of fixed assets	<b>77,218</b>	51,615
Profit on disposal of fixed assets	<b>(122)</b>	(1,070)
Effect of foreign exchange differences	<b>(47)</b>	148
Decrease/(increase) in amount due from associate	<b>12,723</b>	(12,743)
Decrease/(increase) in trading securities	<b>2,546</b>	(66,307)
Increase in inventories	<b>(147,880)</b>	(3,387)
Increase in trade and other receivables	<b>(116,447)</b>	(32,549)
Increase/(decrease) in bills payable	<b>3,647</b>	(13,054)
Increase in trade and other payables	<b>83,322</b>	16,195
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Net cash inflow from operating activities	<b>89,173</b>	189,059
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**Consolidated Cash Flow Statement** (continued)

For the year ended 31 December 2000  
(Expressed in Hong Kong dollars)

## Notes to the Consolidated Cash Flow Statement (continued)

**(b) Analysis of changes in financing during the year**

	Bank loans \$'000	Minority interests \$'000	Share capital (including share premium) \$'000	Convertible notes \$'000
At 1 January 1999	26,786	26,543	529,540	5,522
Net cash (outflow)/inflow from financing	(12,833)	–	36,815	–
Amortisation of finance costs	–	–	–	11
Attributable losses less profits, less amounts paid	–	3,086	–	–
Effect of foreign exchange differences	–	(73)	–	–
<b>At 31 December 1999</b>	<b><u>13,953</u></b>	<b><u>29,556</u></b>	<b><u>566,355</u></b>	<b><u>5,533</u></b>
At 1 January 2000	13,953	29,556	566,355	5,533
Net cash (outflow)/inflow from financing	(3,930)	–	12,118	–
Capital contribution by minority shareholder	–	3,605	–	–
Dividend paid to minority interests	–	(3,017)	–	–
Amortisation of finance costs	–	–	–	5
Attributable profits	–	6,145	–	–
Shares issued as purchase consideration for shares in subsidiaries	–	(8,925)	26,193	31,200
Conversion of notes	–	–	5,538	(5,538)
Effect of foreign exchange differences	–	(15)	–	–
<b>At 31 December 2000</b>	<b><u>10,023</u></b>	<b><u>27,349</u></b>	<b><u>610,204</u></b>	<b><u>31,200</u></b>

**(c) Analysis of cash and cash equivalents**

	2000 \$'000	1999 \$'000
Cash at bank and in hand	97,129	55,096
Deposits with banks and other financial institutions	95,168	489,059
Bank loans and overdrafts	(11,389)	(33,633)
	<b><u>180,908</u></b>	<b><u>510,522</u></b>

**(d) Major non-cash transactions**

During the year, shares and convertible notes were issued as consideration for the acquisition of additional interests in certain subsidiaries. The issue of these shares and the issue and conversion of the convertible notes represent non-cash transactions.