

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2002 (Expressed in Hong Kong dollars)

	<i>Note</i>	<i>2002</i> \$'000	<i>2001</i> \$'000
Net cash flows from operating activities	(a)	204,959	479,900
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		19,424	9,908
Proceeds from sale of investment properties		-	24,158
Dividends received from listed investments		683	526
Dividends received from unlisted investments		997	1,265
Purchase of property, plant and equipment		(89,104)	(60,178)
Additions to property under development		(18,234)	-
Additions to lease prepayments		(4,031)	-
Interest received		32,211	38,681
Payment for purchase of equity investments		-	(18,019)
Payment for purchase of a subsidiary	(b)	(66,690)	(10,368)
<i>Net cash used in investing activities</i>		(124,744)	(14,027)
Cash flows from financing activities			
Dividends received from associates		1,727	2,139
Repayment of borrowings		(14,627)	(61,905)
Dividends paid to shareholders		(100,666)	(90,599)
Dividends paid to minority shareholders		-	(673)
<i>Net cash used in financing activities</i>		(113,566)	(151,038)
Net (decrease)/increase in cash and cash equivalents		(33,351)	314,835
Cash and cash equivalents at beginning of the year		856,251	566,754
Effect of exchange differences		46,501	(25,338)
Cash and cash equivalents at end of the year	23	869,401	856,251

The notes on pages 22 to 57 form part of these financial statements.

NOTES TO CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2002 (Expressed in Hong Kong dollars)

(a) *The reconciliation of operating profit to net cash flows from operating activities is as follows:*

	2002 \$'000	2001 \$'000
Profit from operations	282,519	415,001
Adjustments for:		
- Depreciation	47,679	45,430
- Amortisation of lease prepayments	3,253	4,584
- Gain on disposal of property, plant and equipment	(4,521)	(4,609)
- Gain on disposal of investment properties	-	(4,262)
- Decrease in fair value on revaluation of investment properties	11,140	82,483
- Decrease in fair value of listed equity investments	8,411	28,999
- (Reversal of)/increase in impairment loss of unlisted equity investments	(11,619)	3,651
- Interest income	(42,430)	(50,137)
- Dividend income	(1,680)	(1,791)
Operating profit before working capital changes	292,752	519,349
Decrease in amounts due from associates	1,134	7,911
Decrease in hire purchase debtors	82,592	64,240
Decrease/(increase) in inventories	96,203	(16,388)
(Increase)/decrease in trade debtors	(115,333)	44,657
Decrease in other debtors, deposits and prepayments	12,791	11,777
Decrease in trade creditors	(14,249)	(5,421)
(Decrease)/increase in other creditors and accruals	(58,758)	5,293
Decrease in amounts due to related companies	(1,227)	(4,060)
Increase in provisions	3,164	7,172
Cash generated from operations	299,069	634,530
Interest paid	(5,966)	(6,220)
Taxes paid	(103,173)	(121,664)
Effect of exchange differences	15,029	(26,746)
Net cash flows from operating activities	204,959	479,900

NOTES TO CONSOLIDATED CASH FLOW STATEMENT

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(b) Purchase of a subsidiary

The purchase of a subsidiary had the following effect on the Group's assets and liabilities:

	<i>2002</i> \$'000	<i>2001</i> \$'000
Property, plant and equipment	47,000	9,917
Inventories	30,078	174
Debtors, deposits and prepayments	109,455	647
Cash at bank and on hand	74,518	804
Creditors and accruals	(81,598)	(370)
Bank loans	(38,245)	-
Net assets	141,208	11,172
Satisfied by : cash	141,208	11,172
Less: cash acquired	(74,518)	(804)
Net cash outflow	66,690	10,368