

# CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2002

	Notes	2002 HK\$'000	2001 HK\$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>573,600</b>	331,527
Adjustments for:			
Finance costs	7	<b>46,754</b>	32,657
Share of profits less losses of associates		<b>(61,208)</b>	(25,588)
Interest income	5	<b>(41,507)</b>	(57,629)
Dividend income from an unlisted long term investment and listed equity securities	5	<b>(1,499)</b>	(1,434)
Loss on disposal of fixed assets	6	<b>357</b>	694
Gain on disposal of other investments	6	<b>(7,547)</b>	–
Loss/(gain) on disposal of a long term investment	6	<b>(65,900)</b>	283
Loss on disposal of a subsidiary	6	–	1,739
Loss on disposal of an associate	6	–	8,910
Depreciation	6	<b>111,088</b>	57,276
Amortisation of a long term investment	6	<b>1,400</b>	1,400
Amortisation of goodwill	6	<b>36,054</b>	10,229
Negative goodwill recognised as income	6	<b>(3,401)</b>	(566)
Unrealised holding gains on listed debt securities	6	<b>(18,035)</b>	(2,637)
Unrealised holding losses on listed equity securities	6	<b>350</b>	581
Provision/(write back of provision) against inventories	6	<b>(2,216)</b>	345
Provision for doubtful debts	6	<b>1,098</b>	–
Write back of provision for impairment in value of long term investments	6	–	(6,753)
Deficit/(surplus) on revaluation of investment properties	6	<b>(274)</b>	319
Operating profit before working capital changes		<b>569,114</b>	351,353

## Consolidated Cash Flow Statement

Year ended 31 December 2002

	Note	2002 HK\$'000	2001 HK\$'000 (Restated)
Operating profit before working capital changes		<b>569,114</b>	351,353
Increase in inventories		<b>(769,008)</b>	(190,956)
Increase in accounts receivable		<b>(292,650)</b>	(99,952)
Decrease/(increase) in other debtors, prepayments and deposits		<b>(298,200)</b>	16,944
Increase in amounts due from fellow subsidiaries		<b>(38,042)</b>	(14,544)
Increase in amount due from the ultimate holding company		<b>(45,070)</b>	–
Decrease in amounts due from related companies		<b>10,289</b>	311,772
Decrease/(increase) in tax prepaid		<b>(894)</b>	187
Increase in accounts payable		<b>78,652</b>	27,081
Increase in other payables and accruals		<b>333,464</b>	91,777
Increase/(decrease) in amounts due to fellow subsidiaries		<b>21,084</b>	(89,261)
Increase/(decrease) in amount due to the immediate holding company		<b>(768)</b>	20,117
Increase/(decrease) in amounts due to related companies		<b>32,130</b>	(8,520)
Decrease in amount due to the ultimate holding company		<b>(146,845)</b>	(7,146)
Increase in amounts due to minority shareholders of subsidiaries		<b>32,972</b>	–
Cash generated from/(used by) operations		<b>(513,772)</b>	408,852
Interest received		<b>41,507</b>	57,629
Interest paid		<b>(46,754)</b>	(32,657)
Hong Kong profits tax paid		<b>(5,635)</b>	(1,633)
Mainland China tax paid		<b>(68,692)</b>	(17,511)
Net cash inflow/(outflow) from operating activities		<b>(593,346)</b>	414,680
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Repayments from/(advances to) associates		<b>108</b>	(24,034)
Repayments of loan to associates		<b>6,528</b>	–
Acquisition of subsidiaries		–	(16,093)
Additional investment in a subsidiary		–	(9,946)
Additional investment in associates		<b>(29,920)</b>	–
Dividends from associates		<b>10,162</b>	6,775
Dividend received from a long term investment		<b>1,499</b>	–
Proceeds from disposal of fixed assets		<b>7,568</b>	1,241
Proceeds from disposal of an associate		–	380,000
Net proceeds from disposal of a long term investment		<b>108,925</b>	–
Proceeds from disposal of other investments		<b>7,547</b>	–
Purchases of other investments		–	(186,747)
Purchases of fixed assets	14	<b>(535,362)</b>	(205,107)
Decrease in pledged bank deposits		<b>5,442</b>	4,147
Increase in time deposits with original maturity of more than three months when acquired		<b>(52,516)</b>	(7,647)
Net cash outflow from investing activities		<b>(470,019)</b>	(57,411)

## Consolidated Cash Flow Statement

Year ended 31 December 2002

	Note	2002 HK\$'000	2001 HK\$'000 (Restated)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New bank and other loans		<b>4,257,970</b>	64,894
Repayments of bank and other loans		<b>(3,443,295)</b>	(22,485)
Advances from/(repayment to) minority shareholders of subsidiaries		<b>13,440</b>	(11,356)
Additional capital injection from minority shareholders of a subsidiary		<b>5,250</b>	18,113
Dividends paid		<b>(125,538)</b>	(89,184)
Dividends paid to minority shareholders		<b>(1,015)</b>	–
Issue of new shares		–	362,300
Share issue expenses		–	(8,611)
		<u><b>706,812</b></u>	<u>313,671</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		<b>(356,553)</b>	670,940
Cash and cash equivalents at beginning of year		<b>1,653,325</b>	983,055
Effect of foreign exchange rate changes, net		<b>(492)</b>	(670)
		<u><b>1,296,280</b></u>	<u>1,653,325</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>			
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	21	<b>535,516</b>	709,582
Non-pledged time deposits with original maturity of less than three months when acquired		<b>760,764</b>	943,743
		<u><b>1,296,280</b></u>	<u>1,653,325</u>