

Consolidated Cash Flow Statement

For the year ended 31 December 2002

	2002 HK\$'000	2001 HK\$'000
OPERATING ACTIVITIES		
Profit from operations	121,297	80,896
Adjustments for:		
Interest income	(1,289)	(2,085)
Gain on acquisition of amount due to a minority shareholder	—	(4,745)
Amortisation of deferred development expenditure	897	7,218
Amortisation of intangible assets, other than deferred development expenditure	202	139
Impairment of deferred development expenditure	—	4,800
Loss on write-off of deferred development expenditure	7,708	—
Depreciation and amortisation of property, plant and equipment	78,722	79,178
Loss on disposal of property, plant and equipment	2,353	70
Operating cash flows before movements in working capital	209,890	165,471
(Increase) decrease in inventories	(1,031)	32,712
(Increase) decrease in trade and other receivables	(17,498)	26,012
Increase in amount due from an associate	(1,174)	—
Increase (decrease) in trade and other payables	42,094	(31,050)
Effect of realignment of foreign exchange rate	(901)	133
Cash generated from operations	231,380	193,278
Hong Kong Profits Tax paid	(7,313)	(238)
PRC Enterprise Income Tax paid	(1,059)	—
Overseas tax paid	(1,791)	(2,455)
NET CASH FROM OPERATING ACTIVITIES	221,217	190,585
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(64,972)	(102,273)
Acquisition of intangible assets	(4,011)	(5,999)
Loans advanced	(3,958)	(5,215)
Acquisition of investment in an associate	(500)	—
Interest received	1,284	2,277
Proceeds from disposals of property, plant and equipment	127	193
Acquisition of minority shareholders' advance	—	(55)
NET CASH USED IN INVESTING ACTIVITIES	(72,030)	(111,072)

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FINANCING		
New bank borrowings raised	545,449	478,140
Repayment of bank borrowings	(501,649)	(555,617)
New borrowings raised from finance leases	7,182	78,976
Repayment of obligations under finance leases	(43,715)	(41,540)
Interest paid on bank borrowings	(7,462)	(10,865)
Interest paid on obligations under finance leases	(2,559)	(6,214)
Issue of shares under option scheme	—	18,077
Dividend paid	(39,983)	(43,401)
NET CASH USED IN FINANCING	(42,737)	(82,444)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	106,450	(2,931)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	88,261	91,320
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	1,115	(128)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	195,826	88,261
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as previously reported	—	(32,455)
Effect of reclassification of trust receipt loans and short term bank loans	—	120,716
Cash and cash equivalents as restated	—	88,261
Being:		
Bank balances and cash	196,506	96,490
Bank overdrafts	(680)	(8,229)
	195,826	88,261