

# consolidated cash flow statement

year ended 31 December 2002

<i>HK\$'000</i>	Notes	2002	2001 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>321,948</b>	330,465
Adjustments for:			
Finance costs	6	<b>83,162</b>	103,889
Share of profits less losses of:			
A jointly-controlled entity		<b>(49,981)</b>	4,066
Associates		<b>(59,764)</b>	(137,845)
Depreciation	5	<b>40,485</b>	37,270
Amortisation of goodwill	5	<b>45,519</b>	42,263
Amortisation of trading rights	5	<b>300</b>	300
Provision for doubtful debts	5	<b>5,305</b>	6,554
(Write back of provision)/provision against loans receivable	5	<b>(10,000)</b>	20,000
Provision for slow-moving inventories	5	<b>669</b>	2,557
Unrealised (gains)/losses on revaluation of short term investments	5	<b>(162)</b>	57,687
Provisions for product warranties and long service payments, net	31	<b>9,358</b>	3,007
Provision for foreseeable loss on properties held for sale	24	<b>29,436</b>	—
Dividend income from listed investments	5	<b>(28,830)</b>	(27,117)
Gain on disposal of subsidiaries	5	<b>(6,243)</b>	—
Gain on disposal of an associate	5	<b>(11,261)</b>	—
Gain on disposal of fixed assets, net	5	<b>(1,711)</b>	(1,704)
Provision/(write back of provision) for losses on open foreign exchange positions	5	<b>43,332</b>	(34,345)
Rental income, net	5	<b>(11,629)</b>	(10,433)
Interest income	5	<b>(39,309)</b>	(48,615)
Operating profit before working capital changes		<b>360,624</b>	347,999
(Increase)/decrease in short term investments		<b>(16,635)</b>	38,844
Increase in inventories		<b>(800,895)</b>	(130,033)
Decrease in properties held for sale		<b>168,312</b>	—
(Increase)/decrease in trade receivables and other receivables		<b>(431,190)</b>	12,081
Decrease/(increase) in loans receivable		<b>16,460</b>	(66,348)
Decrease/(increase) in cash held on behalf of securities clients		<b>194</b>	(1,884)
Increase/(decrease) in trade and bills payables, and other payables and accruals		<b>769,337</b>	(43,919)
Cash generated from operations		<b>66,207</b>	156,740
Dividends from listed investments		<b>28,830</b>	27,117
Rental received		<b>11,629</b>	10,433
Interest received		<b>27,662</b>	31,646
Hong Kong profits tax paid		<b>(2,289)</b>	(651)
Hong Kong profits tax refunded		<b>4,419</b>	3,884
Overseas taxes paid		<b>(89,311)</b>	(55,716)
Net cash from operating activities		<b>47,147</b>	173,453

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<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends from associates		<b>82,877</b>	122,412
Other interest received		<b>11,647</b>	16,969
Investment in a jointly-controlled entity		—	(197,913)
Investments in associates		<b>(121,550)</b>	(4,000)
Repayment from associates		<b>2,797</b>	6,224
Purchases of fixed assets	13	<b>(120,693)</b>	(66,186)
Proceeds from disposal of fixed assets		<b>9,011</b>	9,984
Additional interests in subsidiaries	37(d)	<b>(32,376)</b>	—
Liquidation of a subsidiary		—	(499)
Proceeds from disposal of subsidiaries	37(e)	<b>299,949</b>	—
Proceeds from disposal of an associate	37(f)	<b>29,000</b>	—
Additions to long term investments		<b>(48,224)</b>	(1,563)
Proceeds from disposal of long term investments		<b>3,757</b>	872
Additions to properties under development		<b>(363,534)</b>	(109,976)
Increase in pledged time deposits		<b>(9,326)</b>	(18,248)
<b>Net cash used in investing activities</b>		<b>(256,665)</b>	(241,924)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		<b>(89,791)</b>	(104,067)
Dividend paid		<b>(28,535)</b>	(28,535)
Proceeds from rights issue of warrants	36(b)	—	95,117
Warrants issue expenses	36(b)	—	(3,469)
Proceeds from exercise of warrants		<b>11</b>	—
Repayment of short term bank loans and other loan		<b>(356,086)</b>	(523,706)
Increase in trust receipt loans		<b>450,626</b>	49,718
New short term bank loans and other loan		<b>219,148</b>	94,891
New long term bank loans		<b>71,500</b>	432,037
Additions to minority interests in investment in subsidiaries		<b>14,745</b>	104,562
Repayment to minority interests		<b>(9,204)</b>	(1,410)
<b>Net cash from financing activities</b>		<b>272,414</b>	115,138
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>62,896</b>	46,667
Cash and cash equivalents at beginning of year		<b>360,311</b>	328,332
Effect of foreign exchange rate changes, net		<b>24,265</b>	(14,688)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>447,472</b>	360,311
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	27	<b>341,494</b>	268,811
Non-pledged time deposits with maturity of less than three months when acquired	27	<b>146,706</b>	198,352
Bank overdrafts	30	<b>(40,728)</b>	(106,852)
		<b>447,472</b>	360,311