

Consolidated Cash Flow Statement

Year ended 31 December 2002

	Notes	2002 HK\$'000	2001 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		159,833	118,788
Adjustments for:			
Finance costs	8	50,596	33,473
Interest income	7	(1,275)	(497)
Loss on disposal of fixed assets	7	3,649	617
Depreciation	7	97,311	69,769
Amortisation of intangible assets, other than goodwill	7	2,362	1,758
Amortisation of goodwill	7	5,366	2,251
Provision for doubtful debts	7	2,695	24
Operating profit before working capital changes		320,537	226,183
Decrease/(increase) in inventories		3,079	(33,362)
Increase in accounts receivable		(20,558)	(67,554)
Increase in prepayments, deposits and other debtors		(24,235)	(3,329)
Change in balances with the former joint venture partners of subsidiaries		—	18,312
Change in balances with joint venture partners of subsidiaries		12,192	9,620
Increase/(decrease) in accounts payable		(40,663)	38,754
Increase/(decrease) in accruals and other liabilities		10,091	(12,626)
Cash generated from operations		260,443	175,998
Interest received		1,275	497
PRC corporate income tax paid		(34,018)	(34,208)
Net cash inflow from operating activities		227,700	142,287
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets	14	(142,996)	(102,009)
Proceeds from disposal of fixed assets		10,247	865
Addition to intangible assets		—	(566)
Acquisition of subsidiaries	32(c)	(48,904)	(207,212)
Acquisition of additional interest in a subsidiary		—	(6,409)
Increase in deposits paid for purchases of fixed assets		(28,736)	(16,840)
Decrease/(increase) in pledged bank deposits		7,839	(7,839)
Net cash outflow from investing activities		(202,550)	(340,010)

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Net cash inflow from operating activities		<u>227,700</u>	<u>142,287</u>
Net cash outflow from investing activities		<u>(202,550)</u>	<u>(340,010)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	29	394,680	—
Share issue expenses	29	(49,409)	—
New bank loans		483,446	484,514
Repayment of bank loans		(521,013)	(256,431)
New other loans		5,340	13,977
Repayment of other loans		(38,289)	(3,770)
New convertible notes		—	21,800
Repayment of loans from a former joint venture partner of a subsidiary		—	(5,261)
Repayment of amounts due to joint venture partners of subsidiaries		(82,536)	(12,302)
Advance/(repayment) of loans from shareholders		(53,545)	53,545
Payment of deferred expenditure		(161)	(11,294)
Interest paid		(47,732)	(32,061)
Dividend paid		—	(75,775)
Dividend paid to minority shareholders of subsidiaries		(342)	—
Net cash inflow from financing activities		<u>90,439</u>	<u>176,942</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<u>115,589</u>	<u>(20,781)</u>
Cash and cash equivalents at beginning of year		52,750	73,588
Effect of foreign exchange rates changes, net		7	(57)
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>168,346</u></u>	<u><u>52,750</u></u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		127,837	52,750
Short term fixed deposit with original maturity of less than three months when acquired		40,509	—
		<u><u>168,346</u></u>	<u><u>52,750</u></u>