

CONSOLIDATED CASH FLOW STATEMENT 1

for the year ended 31 December 2002

	<i>Note</i>	2002 <i>HK\$'000</i>	2001 <i>HK\$'000</i>
Operating activities			
Net cash inflow generated from operations	26(a)	133,099	68,099
Hong Kong profits tax paid		(7)	(2)
Overseas tax paid		(62,601)	(9,370)
Net cash inflow from operating activities		<u>70,491</u>	<u>58,727</u>
Investing activities			
Interest received		1,187	628
Acquisition of a subsidiary		—	(19,569)
Additions to intangible assets		(329)	(66,582)
Purchases of investment securities		(63,100)	—
Purchases of fixed assets		(80,148)	(14,752)
Payment of deposit for purchase of land		(42,056)	—
Payments of deposits for purchases of other fixed assets		(59,628)	(4,860)
Proceeds from disposal of fixed assets		—	190
Net cash outflow from investing activities		<u>(244,074)</u>	<u>(104,945)</u>
Net cash outflow before financing		<u>(173,583)</u>	<u>(46,218)</u>
Financing activities	26(b)		
Issue of ordinary shares		256,865	77,023
Share issue expenses		(3,853)	(2,111)
Issue of convertible bonds		29,952	31,824
New bank loans		14,800	25,000
Repayment of bank loans		(4,900)	(10,761)
Interest on bank loans paid		(2,419)	(1,385)
Capital element of finance lease payments		(1,421)	(220)
Interest element on finance lease payments		(271)	(37)
Increase in pledged bank deposits to secure long-term bank loans		(4,101)	(4,014)
Dividends paid		(33,396)	—
Net cash inflow from financing		<u>251,256</u>	<u>115,319</u>

2 ☐ CONSOLIDATED CASH FLOW STATEMENT ☐ (cont'd)

for the year ended 31 December 2002

	2002 HK\$'000	2001 HK\$'000
Increase in cash and cash equivalents	77,673	69,101
Cash and cash equivalents at beginning of year	85,762	16,661
Cash and cash equivalents at end of year	<u>163,435</u>	<u>85,762</u>
Analysis of balances of cash and cash equivalents		
Bank balances and cash (<i>note below</i>)	163,435	85,796
Bank overdrafts, included under short term bank loans	<u>—</u>	<u>(34)</u>
	<u>163,435</u>	<u>85,762</u>

Note: Bank balances and cash of approximately HK\$151,541,000 (2001: HK\$54,073,000) were denominated in Renminbi. The conversion of these balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the government of the People's Republic of China (the "PRC").