

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2003 (Expressed in Hong Kong dollars)

	<i>Note</i>	<i>2003</i> \$'000	<i>2002</i> \$'000
Net cash flows from operating activities	(a)	238,568	204,959
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		41,217	19,424
Proceeds from sale of listed investments		57,139	-
Dividends received from listed investments		832	683
Dividends received from unlisted investments		1,019	997
Purchase of unlisted debt securities investments		(23,057)	-
Purchase of listed equity investments		(6,225)	-
Purchase of property, plant and equipment		(149,964)	(89,104)
Additions to property under development		(30,139)	(18,234)
Additions to lease prepayments		-	(4,031)
Interest received		24,352	32,211
Payment for purchase of a subsidiary	(b)	-	(66,690)
<i>Net cash used in investing activities</i>		(84,826)	(124,744)
Cash flows from financing activities			
Dividends received from associates		3,455	1,727
Repayment of borrowings		(26,772)	(14,627)
Dividends paid to shareholders		(100,666)	(100,666)
Dividends paid to minority shareholders		(400)	-
<i>Net cash used in financing activities</i>		(124,383)	(113,566)
Net increase/(decrease) in cash and cash equivalents		29,359	(33,351)
Cash and cash equivalents at beginning of the year		869,401	856,251
Effect of exchange differences		12,903	46,501
Cash and cash equivalents at end of the year	23	911,663	869,401

The notes on pages 23 to 57 form part of these financial statements.

NOTES TO CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2003 (Expressed in Hong Kong dollars)

(a) The reconciliation of operating profit to net cash flows from operating activities is as follows:

	2003 \$'000	2002 \$'000
Profit from operations	348,654	282,519
Adjustments for:		
- Depreciation	49,406	47,679
- Amortisation of lease prepayments	3,374	3,253
- Gain on disposal of property, plant and equipment	(6,426)	(4,521)
- Gain on sale of listed investments	(11,701)	-
- (Increase)/decrease in fair value of investment properties	(1,307)	11,140
- (Increase)/decrease in fair value of listed equity investments	(4,722)	8,411
- Increase in/(reversal of) impairment loss of unlisted investments	80,320	(11,619)
- Interest income	(21,486)	(42,430)
- Dividend income	(1,851)	(1,680)
- Foreign exchange gain	(12,087)	-
Operating profit before working capital changes	422,174	292,752
Decrease in amounts due from associates	-	1,134
(Increase)/decrease in hire purchase debtors and instalments receivable	(9,374)	82,592
(Increase)/decrease in inventories	(231,270)	96,203
Decrease/(increase) in trade debtors	59,537	(115,333)
(Increase)/decrease in other debtors, deposits and prepayments	(32,402)	12,791
Increase/(decrease) in trade creditors	52,145	(14,249)
Increase/(decrease) in other creditors and accruals	52,667	(58,758)
Decrease in amounts due to related companies	(1,039)	(1,227)
Increase in provisions	3,719	3,164
Cash generated from operations	316,157	299,069
Interest paid	(5,081)	(5,966)
Taxes paid	(71,949)	(103,173)
Effect of exchange differences	(559)	15,029
Net cash flows from operating activities	238,568	204,959

NOTES TO CONSOLIDATED CASH FLOW STATEMENT

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(b) Purchase of a subsidiary

The purchase of a subsidiary had the following effect on the Group's assets and liabilities:

	2002 \$'000
Property, plant and equipment	47,000
Inventories	30,078
Debtors, deposits and prepayments	109,455
Cash at bank and on hand	74,518
Creditors and accruals	(81,598)
Bank loans	(38,245)
Net assets	141,208
Satisfied by : cash	141,208
Less: cash acquired	(74,518)
Net cash outflow	66,690