

# Consolidated Cash Flow Statement

Year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>614,450</b>	573,600
Adjustments for:			
Finance costs	7	<b>53,797</b>	46,754
Share of profits less losses of associates		<b>(105,296)</b>	(61,208)
Interest income	5	<b>(29,311)</b>	(41,507)
Dividend income from an unlisted long term investment and listed equity securities	5	<b>(2,316)</b>	(1,499)
Loss on disposal of fixed assets	6	<b>1,240</b>	357
Gain on trading of investments	6	<b>(1,055)</b>	–
Gain on disposal of an other investment	6	–	(7,547)
Gain on disposal of a long term investment	6	–	(65,900)
Gain on disposal of subsidiaries	6	<b>(721)</b>	–
Depreciation	6	<b>161,705</b>	111,088
Amortisation of a long term investment	6	<b>1,400</b>	1,400
Amortisation of goodwill	6	<b>40,438</b>	36,054
Negative goodwill recognised as income	6	<b>(3,399)</b>	(3,401)
Unrealised holding gains on listed debt securities	6	<b>(1,610)</b>	(18,035)
Unrealised holding (gains)/losses on listed equity securities	6	<b>(148)</b>	350
Write back of provision against inventories	6	<b>(3,074)</b>	(2,216)
Provision for/(write back of provision for) doubtful debts	6	<b>(434)</b>	1,098
Write off of other investments	6	<b>655</b>	–
Release of reserve upon write off of other investment	6	<b>(1,752)</b>	–
Surplus on revaluation of investment properties	6	–	(274)
Operating profit before working capital changes		<b>724,569</b>	569,114

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Operating profit before working capital changes	<b>724,569</b>	569,114
Increase in inventories	<b>(826,632)</b>	(769,008)
Increase in accounts receivable	<b>(38,798)</b>	(292,650)
Increase in other debtors, prepayments and deposits	<b>(493,695)</b>	(298,200)
Increase in amounts due from fellow subsidiaries	<b>(12,432)</b>	(38,042)
Decrease/(increase) in amount due from the ultimate holding company	<b>45,070</b>	(45,070)
Decrease in amounts due from related companies	<b>88,614</b>	10,289
Increase in tax prepaid	-	(894)
Increase in accounts payable	<b>169,196</b>	78,652
Increase in other payables and accruals	<b>189,568</b>	333,464
Increase/(decrease) in amounts due to fellow subsidiaries	<b>(32,121)</b>	21,084
Decrease in amount due to the immediate holding company	<b>(14,037)</b>	(768)
Increase in amounts due to related companies	<b>159,279</b>	32,130
Increase/(decrease) in amount due to the ultimate holding company	<b>5,388</b>	(146,845)
Increase/(decrease) in amounts due to minority shareholders of subsidiaries	<b>(9,393)</b>	32,972
Cash used in operations	<b>(45,424)</b>	(513,772)
Interest received	<b>29,311</b>	41,507
Interest paid	<b>(53,797)</b>	(46,754)
Hong Kong profits tax paid	<b>(3,697)</b>	(5,635)
Mainland China tax paid	<b>(81,702)</b>	(68,692)
Mainland China tax refunded	<b>3,601</b>	-
Net cash outflow from operating activities	<b>(151,708)</b>	(593,346)

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<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Repayments and advances from associates		4,216	108
Repayments of loan to associates		–	6,528
Advances to a long term investment		(3,623)	–
Acquisition of a subsidiary	30(b)	(70,308)	–
Acquisition of additional interest in an existing subsidiary		(33,063)	–
Disposal of subsidiaries	30(c)	(148)	–
Additional investment in associates		–	(29,920)
Dividends from associates		7,009	10,162
Dividends received from an unlisted long term investment and listed equity securities		2,316	1,499
Proceeds from disposal of fixed assets		10,487	7,568
Net proceeds from disposal of a long term investment		–	108,925
Net proceeds from disposal of an other investment		–	7,547
Net proceeds from trading of investments		1,055	–
Purchase of a long term investment		(1,320)	–
Purchases of other investments		(4,717)	–
Purchases of fixed assets	14	(826,010)	(535,362)
Decrease in pledged bank deposits		–	5,442
Decrease/(increase) in time deposits with original maturity of more than three months when acquired		102,343	(52,516)
Net cash outflow from investing activities		(811,763)	(470,019)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from exercise of share options	27	61,562	–
New bank and other loans		7,040,617	4,257,970
Repayments of bank and other loans		(6,166,539)	(3,443,295)
Advances from/(repayment to) minority shareholders of subsidiaries		(2,843)	13,440
Additional capital injection from minority shareholders of a subsidiary		567	5,250
Dividends paid		(173,569)	(125,538)
Dividends paid to minority shareholders		(14,473)	(1,015)
Net cash inflow from financing activities		745,322	706,812
NET DECREASE IN CASH AND CASH EQUIVALENTS		(218,149)	(356,553)
Cash and cash equivalents at beginning of year		1,296,280	1,653,325
Effect of foreign exchange rate changes, net		(23)	(492)
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,078,108	1,296,280

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ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	<b>557,741</b>	535,516
Non-pledged time deposits with original maturity of less than three months when acquired		<b>520,367</b>	760,764
		<b>1,078,108</b>	1,296,280