

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2003

HK\$'000	Notes	2003	2002 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		338,172	307,102
Adjustments for:			
Finance costs	6	78,164	83,162
Share of profits and losses of:			
A jointly-controlled entity		(759)	(49,981)
Associates		(18,904)	(59,764)
Depreciation	5	53,914	40,485
Amortisation of goodwill	5	62,826	63,876
Amortisation of trading rights	5	300	300
Provision for doubtful debts	5	7,117	5,305
Write back of provision against loans receivable	5	(30,000)	(10,000)
Provision for inventories	5	13,597	669
Unrealised losses/(gains) on revaluation of short term investments	5	432	(162)
Provisions for product warranties and long service payments, net (Write back of provision)/provision for foreseeable	33	5,248	9,358
loss on properties held for sale	5	(23,967)	29,436
Dividend income from listed investments	5	(2,603)	(28,830)
Gain on disposal of subsidiaries	5	(13,402)	(6,243)
Gain on disposal of an associate	5	–	(11,261)
Gain on disposal of fixed assets, net	5	(3,755)	(1,711)
Provision for losses on open foreign exchange positions	5	21,533	43,332
Rental income, net	5	(16,540)	(11,629)
Interest income	5	(39,845)	(39,309)
Operating profit before working capital changes		431,528	364,135
Increase in short term investments		(7,244)	(16,635)
Increase in inventories		(374,105)	(800,895)
Decrease in properties held for sale		129,594	168,312
Increase in trade receivables and other receivables		(188,581)	(431,190)
(Increase)/decrease in loans receivable		(1,207)	16,460
(Increase)/decrease in cash held on behalf of securities clients		(8,490)	194
Increase in trade and bill payables, and other payable and accruals		993,173	769,337
Decrease in provisions of product warranties and long service payments		(10,583)	–
Cash generated from operations		964,085	69,718

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

Year ended 31 December 2003

HK\$'000	Notes	2003	2002 (Restated)
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Cash generated from operations		964,085	69,718
Dividends received from listed investments		2,603	28,830
Rental received		16,540	11,629
Interest received		35,089	27,662
Hong Kong profits tax paid		(4,152)	(2,289)
Hong Kong profits tax refunded		–	4,419
Overseas taxes paid		(82,133)	(89,311)
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Net cash inflow from operating activities		932,032	50,658
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CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends from associates		23,993	82,877
Dividend from a jointly-controlled entity		16,874	–
Other interest received		4,756	11,647
Investments in associates		(3)	(121,550)
Repayment from associates		9,018	2,797
Purchases of fixed assets	13	(185,642)	(120,693)
Proceeds from disposal of fixed assets		24,653	9,011
Additional interests in subsidiaries	39(d)	–	(32,376)
Proceeds from disposal of subsidiaries	39(c)	150,276	299,949
Proceeds from disposal of an associate	39(e)	–	29,000
Additions to long term investments		(87,350)	(48,224)
Proceeds from disposal of long term investments		–	3,757
Additions to properties under development		(77,269)	(363,534)
Increase in pledged time deposits		(141,436)	(9,326)
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Net cash outflow from investing activities		(262,130)	(256,665)
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CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

Year ended 31 December 2003

HK\$'000	Notes	2003	2002 (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(86,895)	(89,791)
Dividend paid		(28,535)	(28,535)
Proceeds from exercise of warrants		–	11
Repayment of short term bank loans and other loan		(470,519)	(356,086)
Repayment of long term bank loan		(65,000)	–
Increase in trust receipt loans		108,767	450,626
New short term bank loans and other loan		200,965	219,148
New long term bank loans		157,215	71,500
Additions to minority interests in investment in subsidiaries		15,446	14,745
Repayment to minority interests		(16,478)	(9,204)
Repayment to minority interests upon liquidation of subsidiaries		(1,557)	–
Net cash (outflow)/inflow from financing activities		(186,591)	272,414
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		447,472	360,311
Effect of foreign exchange rate changes, net		3,963	20,754
CASH AND CASH EQUIVALENTS AT END OF YEAR		934,746	447,472
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	29	463,255	341,494
Non-pledged time deposits with maturity of less than three months when acquired	29	471,491	146,706
Bank overdrafts	32	–	(40,728)
		934,746	447,472