

## Consolidated Cash Flow Statement

for the year ended 31 March 2002

	2002 HK\$ Million	2001 HK\$ Million
<b>Net cash inflow from operating activities (Note a)</b>	<b>2,868.8</b>	107.4
<b>Returns on investments and servicing of finance</b>		
Interest received	69.2	49.2
Interest paid	(740.1)	(1,332.8)
Dividends received from associates	975.6	972.4
Dividends received from investments	130.7	135.4
Dividends paid to shareholders	(152.3)	(152.3)
Dividends paid to minority shareholders	(84.8)	(85.5)
Net cash inflow/(outflow) from returns on investments and servicing of finance	<b>198.3</b>	(413.6)
<b>Taxation</b>		
Hong Kong profits tax paid	(18.2)	(7.5)
Tax Reserve Certificates refunded	–	60.5
Overseas tax paid	(1.3)	(4.0)
Tax (paid)/refunded	<b>(19.5)</b>	49.0
<b>Investing activities</b>		
Purchases of shares in a subsidiary	(14.7)	(11.6)
Purchase of subsidiaries (Note b)	–	(6.8)
Purchase of shares in associates	–	(73.4)
Purchase of non-trading securities	(2,212.4)	(2,250.7)
Purchase of fixed assets	(65.2)	(50.5)
Disposal of subsidiaries (Note c)	753.5	–
Proceeds from disposal of non-trading securities	1,259.4	3,083.0
Proceeds from disposal of unlisted investments	–	19.3
Proceeds from disposal of fixed assets	7.8	20.5
Decrease in net advances from associates	(293.2)	(86.8)
Net cash (outflow)/inflow from investing activities	<b>(564.8)</b>	643.0
Net cash inflow before financing	<b>2,482.8</b>	385.8

## Consolidated Cash Flow Statement (continued)

	2002 HK\$ Million	2001 HK\$ Million
<b>Financing (Note d)</b>		
Issue of ordinary shares	4.4	0.5
Net drawdown of long-term bank loans	3,559.9	3,822.9
Net repayment of short-term loans	(3,833.6)	(3,351.8)
Net cash (outflow)/inflow from financing	(269.3)	471.6
<b>Increase in cash and cash equivalents</b>	<b>2,213.5</b>	857.4
Effect of foreign exchange rate changes	(16.7)	(68.0)
Cash and cash equivalents at 1 April	1,039.7	250.3
<b>Cash and cash equivalents at 31 March</b>	<b>3,236.5</b>	1,039.7
<b>Analysis of the balances of cash and cash equivalents at 31 March</b>		
Bank balances and deposits maturing within three months	3,451.1	1,299.1
Bank loans and overdrafts due within three months	(214.6)	(259.4)
	<b>3,236.5</b>	1,039.7

## Consolidated Cash Flow Statement (continued)

## NOTES TO CONSOLIDATED CASH FLOW STATEMENT

## a) Reconciliation of profit before taxation to net cash inflow from operating activities

	2002 HK\$ Million	Restated 2001 HK\$ Million
Profit before taxation	992.3	822.0
Share of profits less losses of associates	<b>(1,404.1)</b>	(1,587.4)
Interest income	<b>(68.9)</b>	(21.5)
Interest expense	<b>463.2</b>	843.5
Dividend income from investments	<b>(152.2)</b>	(141.2)
Depreciation	<b>70.1</b>	56.2
Provision for impairment in value of properties	<b>1,250.5</b>	1,221.2
Net loss/(profit) on disposal of non-trading securities	<b>35.4</b>	(231.5)
Loss on disposal of fixed assets	<b>11.9</b>	0.1
Profit on disposal of subsidiaries	<b>(17.5)</b>	–
Deferred profits realised	<b>(100.1)</b>	(56.2)
Net provision for non-trading securities	–	16.6
Net other provision released	–	(84.0)
Profit on sale of unlisted investments	–	(18.6)
Exchange differences	<b>(65.5)</b>	(184.5)
Decrease in deferred debtors	<b>13.5</b>	33.6
Decrease/(increase) in properties under development for sales	<b>4,067.2</b>	(1,721.0)
Decrease in properties held for sale	<b>220.3</b>	108.1
Decrease in inventories	<b>24.7</b>	30.2
Increase in trade and other receivables	<b>(1,118.8)</b>	(50.6)
(Decrease)/increase in deposits from sale of properties	<b>(1,557.9)</b>	998.8
Increase in trade and other payables	<b>204.7</b>	73.6
Net cash inflow from operating activities	<b>2,868.8</b>	107.4

**Consolidated Cash Flow Statement (continued)**
**b) Purchase of subsidiaries**

	2002 HK\$ Million	2001 HK\$ Million
Net assets acquired:		
Fixed assets	–	96.2
Current assets	–	234.1
Current liabilities	–	(119.2)
Minority interests	–	(200.0)
	–	11.1
Reserves arising on consolidation	–	(4.3)
	–	6.8
Satisfied by:		
Cash consideration paid	–	212.2
Analysis of the net outflow of cash and cash equivalents in respect of the purchases of subsidiaries:		
Cash consideration paid	–	212.2
Bank balances and deposits acquired	–	(249.4)
Bank loans and overdrafts acquired	–	44.0
Net outflow of cash and cash equivalents in respect of the purchase of subsidiaries	–	6.8

**c) Disposal of subsidiaries**

	2002 HK\$ Million	2001 HK\$ Million
Net assets disposal of:		
Fixed assets	3.4	–
Current assets	717.1	–
Current liabilities	(0.6)	–
Net assets disposed	719.9	–
Profit recognised	17.5	–
Unrealised profit deferred	16.1	–
	753.5	–
Satisfied by:		
Cash consideration received	753.5	–

## Consolidated Cash Flow Statement (continued)

## d) Analysis of changes in financing

	Share capital and share premium HK\$ Million	Long-term bank loans HK\$ Million	Short-term loans HK\$ Million	Restated Minority interests HK\$ Million
Balance at 1 April 2000	2,924.0	12,704.9	3,627.1	6,217.6
Issue of ordinary shares	0.5	–	–	–
Cash inflow/(outflow) related to financing	–	3,822.9	(3,351.8)	–
Dividends paid to minority shareholders	–	–	–	(85.5)
Purchase of subsidiaries (Note b)	–	–	–	200.0
Increase in interest in a subsidiary	–	–	–	(15.2)
Minority interests' share of reserves	–	–	–	(96.9)
Exchange differences	–	(98.9)	–	(102.0)
Reclassification	–	(4,030.0)	4,030.0	–
Balance at 31 March 2001 and 1 April 2001	<b>2,924.5</b>	<b>12,398.9</b>	<b>4,305.3</b>	<b>6,118.0</b>
Issue of ordinary shares	<b>4.4</b>	–	–	–
Cash inflow/(outflow) related to financing	–	<b>3,559.9</b>	<b>(3,833.6)</b>	–
Dividends paid to minority shareholders	–	–	–	<b>(84.8)</b>
Increase in interest in a subsidiary	–	–	–	<b>(18.9)</b>
Minority interests' share of reserves	–	–	–	<b>(244.3)</b>
Exchange differences	–	<b>(19.0)</b>	–	<b>(39.7)</b>
Reclassification	–	<b>(6,623.9)</b>	<b>6,623.9</b>	–
Balance at 31 March 2002	<b>2,928.9</b>	<b>9,315.9</b>	<b>7,095.6</b>	<b>5,730.3</b>