

# Consolidated Cash Flow Statement

for the year ended 31 December 2002

|  | 2002<br>HK\$'000 | 2001<br>HK\$'000 |
|--|------------------|------------------|
| <b>OPERATING ACTIVITIES</b>  |                  |                  |
| Profit from operations   | <b>926,839</b>   | 1,066,738        |
| Adjustments for:   |                  |                  |
| Impairment loss arising (reversed) in respect of investments in securities                 | <b>800</b>       | (6,225)          |
| Interest income  | <b>(4,842)</b>   | (3,749)          |
| Dividend income  | <b>(10,512)</b>  | (14,408)         |
| Depreciation   | <b>4,793</b>     | 6,029            |
| Gain on property sales   | <b>(1,500)</b>   | —                |
| Bank charges   | <b>(9,543)</b>   | (7,930)          |
| Medium Term Note Programme expenses  | <b>(509)</b>     | (1,967)          |
| Loss on disposal of property, plant and equipment  | <b>2</b>         | —                |
| Release of negative goodwill arising on acquisition of additional interest in a subsidiary | <b>(60)</b>      | (60)             |
| Operating cash flows before movements in working capital                                   | <b>905,468</b>   | 1,038,428        |
| Decrease (increase) in accounts receivable, prepayments and deposits                       | <b>20,604</b>    | (41,142)         |
| Decrease in staff housing loans, secured   | <b>5,385</b>     | 7,781            |
| Increase (decrease) in rental deposits from tenants, creditors and accruals                | <b>35,118</b>    | (19,856)         |
| Cash generated from operations   | <b>966,575</b>   | 985,211          |
| Hong Kong Profits Tax paid   | <b>(71,159)</b>  | (73,367)         |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>  | <b>895,416</b>   | 911,844          |
| <b>INVESTING ACTIVITIES</b>  |                  |                  |
| Interest received  | <b>4,222</b>     | 3,826            |
| Dividends received from investments in securities  | <b>9,617</b>     | 8,612            |
| Dividends received from associates   | <b>150</b>       | —                |
| Additions to investment properties   | <b>(362,465)</b> | (178,098)        |
| Additions to property, plant and equipment   | <b>(11,872)</b>  | (2,380)          |
| Proceeds on disposal of investment properties  | <b>1,550</b>     | —                |
| Proceeds on disposal of property, plant and equipment                                      | <b>50</b>        | —                |
| Acquisition of additional interest in a subsidiary   | <b>—</b>         | (243,947)        |
| Advance to an associate  | <b>(10,064)</b>  | (7,288)          |
| Repayments from an associate   | <b>—</b>         | 1,601            |
| Net proceeds received on disposal of an associate  | <b>—</b>         | 35,929           |
| Advances to investees  | <b>(14,957)</b>  | (17,207)         |
| Construction costs paid  | <b>(38)</b>      | (179)            |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>   | <b>(383,807)</b> | (399,131)        |

|  | 2002<br>HK\$'000   | 2001<br>HK\$'000 |
|--|--------------------|------------------|
| <b>FINANCING ACTIVITIES</b>  |                    |                  |
| Net proceeds received on derivatives   | <b>6,855</b>       | —                |
| Interest paid  | <b>(171,213)</b>   | (316,019)        |
| Dividends paid   | <b>(366,078)</b>   | (351,429)        |
| Dividends paid to minority shareholders of subsidiaries                                      | <b>(53,692)</b>    | (63,502)         |
| Share issue expenses   | <b>(10)</b>        | (31)             |
| Repurchase of own shares   | —                  | (64,320)         |
| Repayment of long term loan in respect of acquisition of additional interest in a subsidiary | —                  | (263,754)        |
| New unsecured bank loans   | <b>1,750,038</b>   | 1,604,814        |
| Issue of fixed rate notes  | <b>1,550,016</b>   | —                |
| Repayment of unsecured bank loans  | <b>(1,231,648)</b> | (1,081,843)      |
| Repayment of floating rate notes   | <b>(2,000,000)</b> | —                |
| Repayment to investees   | —                  | (1,115)          |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>   | <b>(515,732)</b>   | (537,199)        |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>   | <b>(4,123)</b>     | (24,486)         |
| <b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>  | <b>27,069</b>      | 51,555           |
| <b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>  | <b>22,946</b>      | 27,069           |
| <b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>                                 |                    |                  |
| Cash and bank balances   | <b>1,574</b>       | 457              |
| Time deposits  | <b>21,372</b>      | 26,612           |
|  | <b>22,946</b>      | 27,069           |