

Consolidated Cash Flow Statement

For The Year Ended 31 December 2002

	NOTES	2002 HK\$'000	2001 HK\$'000 (restated)
Profit from operations		183,857	287,873
Adjustments for:			
Impairment losses and allowances recognised (note 6)		480,000	114,000
Depreciation and amortisation		104,050	78,795
Negative goodwill released to income		(2,890)	(2,372)
Loss on disposal of property, plant and equipment		331	3,731
Loss (gain) on disposal of subsidiaries	35	7,369	(1,722)
Gain on partial disposal of a subsidiary		(9,485)	—
Loss on disposal of an associate		850	—
Operating cash flows before movements in working capital		764,082	480,305
Increase in instalments receivable		(4,029)	(213,912)
(Increase) decrease in inventories		(3)	2,148
Decrease in properties for sale		898,545	2,330,340
Decrease in amounts due from customers for contract work		23,347	43,007
Decrease in investments in securities		1,823	3,423
Allowance for instalments and trade receivables provided (written back)		10,996	(11,110)
Increase in trade and other receivables, deposits and prepayments		(243,061)	(134,559)
Decrease (increase) in restricted bank balances		107,422	(170,040)
Increase in trade and other payables, sales and other deposits		773,177	256,467
Increase (decrease) in amounts due to customers for contract work		32,215	(63,346)
Cash generated from operations		2,364,514	2,522,723
Income taxes paid		(79,691)	(102,668)
Income taxes refunded		6,527	25,754
NET CASH FROM OPERATING ACTIVITIES		2,291,350	2,445,809
INVESTING ACTIVITIES			
Dividends from associates received		10,830	15,315
Decrease (increase) in pledged bank deposits		26,203	(17,852)
Decrease in bank deposits not within three months of maturity		—	3,327
Purchase of property, plant and equipment		(127,314)	(51,425)
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	34	64,814	(691,160)
Disposal of subsidiaries (net of cash and cash equivalents disposed of)	35	146,660	(12,352)
Investments in associates		(15,741)	(24,664)
Advances to associates		(46,624)	(94,308)
Advances from associates		3,676	49,898

Consolidated Cash Flow Statement *(cont'd)*

For The Year Ended 31 December 2002

	2002 <i>HK\$'000</i>	2001 <i>HK\$'000</i> <i>(restated)</i>
INVESTING ACTIVITIES <i>(cont'd)</i>		
Repayments of capital from infrastructure investments	16,718	504,609
Repayments from <i>(advances to)</i> infrastructure project companies	186,353	(163,528)
Decrease in investment in syndicated property projects	6	11
<i>(Advances to)</i> repayments from syndicated property project companies	(27,061)	25,965
Expenditure on properties for development	(968,814)	(940,520)
Net proceeds on sales of investment properties	1,063	638
Net proceeds on sales of property, plant and equipment	5,154	10,718
Net proceeds on disposal of an associate	4,528	—
Net proceeds on disposal of investments in securities	—	341,533
NET CASH USED IN INVESTING ACTIVITIES	(719,549)	(1,043,795)
FINANCING ACTIVITIES		
Interest paid	(123,543)	(276,246)
Other finance costs paid	(7,490)	(828)
Dividends paid	(218,572)	(218,028)
Dividends paid to minority shareholders	(7,881)	—
Net proceeds from issue of ordinary shares	3,602	20,120
Repurchase of own shares	(45,147)	(6,433)
New bank loans raised	2,733,867	706,504
Repayments of bank loans	(3,462,579)	(2,377,368)
Contributions and advances from minority shareholders of subsidiaries	103,325	105,521
Repayment of contributions and advances from minority shareholders of subsidiaries	(81,903)	(17,564)
NET CASH USED IN FINANCING ACTIVITIES	(1,106,321)	(2,064,322)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	465,480	(662,308)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	1,365,569	2,027,877
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	13,053	—
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	1,844,102	1,365,569
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as previously reported		1,535,609
Reclassification:		
Restricted bank balances		(170,040)
Cash and cash equivalents as restated		1,365,569
Being:		
Bank balances and cash	1,850,106	1,495,096
Bank loans and overdrafts	(6,004)	(129,527)
	1,844,102	1,365,569