

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2002

	Notes	2002 HK\$'000	2001 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		746,440	901,211
Adjustments for:			
Finance costs	7	219,898	251,416
Share of profits and losses of jointly-controlled entities and associates		(66,231)	(209,451)
Revaluation (surplus)/deficit on investment and hotel properties, net		2,070	(764)
Depreciation	6	462,791	429,471
Amortisation of operating concessions	6	89,982	72,055
Amortisation of management information systems	6	1,887	315
Amortisation of goodwill	6, 18	18,144	3,662
Negative goodwill recognised as income	6	(37,318)	(35,118)
Unrealised (gain)/loss on revaluation of short term investments, net	6	10,100	(6,203)
(Gain)/loss on disposal of fixed assets, net	6	(2,182)	2,295
Impairment of fixed assets	6	5,078	9,275
Impairment of long term investments	6	45,712	5,000
Interest income		(73,908)	(140,606)
Investment income	5, 6	(34,782)	(12,139)
Gain on disposal of subsidiaries	5	(2,561)	(35,504)
Gain on deemed disposal of interests in subsidiaries	5	—	(1,510)
Gain on partial disposal of interest in a subsidiary	5	—	(3,271)
Gain on disposal of long term investments	5	(8,092)	(5,764)
Gain on disposal of short term investments	5	(2,509)	(46,478)
Operating profit before working capital changes		1,374,519	1,177,892
Proceeds from disposal of short term investments		21,933	386,223
Purchases of short term investments		(31,985)	(51,578)
Decrease in long term prepayments and deposits		2,683	13,902
Decrease/(increase) in properties held for sale		186,150	(2,857)
Decrease/(increase) in properties under development		(155,210)	63,573
Increase in inventories		(41,757)	(168,780)
Increase in trade receivables		(67,771)	(80,999)
Decrease/(increase) in taxes recoverable		21,752	(13,275)
Increase in other receivables		(191,927)	(8,065)
Increase in trade payables		163,560	44,989
Increase/(decrease) in other taxes payable		11,830	(45,572)
Increase/(decrease) in other payables and accruals		3,506	(25,875)
Increase/(decrease) in other long term liabilities		15,215	(11,983)
Cash generated from operations		1,312,498	1,277,595
Dividends received from associates		151,365	164,448
Hong Kong profits tax paid		(1,251)	(1,201)
Mainland China income tax paid		(193,480)	(94,218)
Overseas income tax paid		(240)	(1,687)
Net cash inflow from operating activities		1,268,892	1,344,937



CONSOLIDATED CASH FLOW STATEMENT *(continued)*

Year ended 31 December 2002

	Notes	2002 HK\$'000	2001 HK\$'000 <i>(Restated)</i>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(776,510)	(575,392)
Proceeds from disposal of fixed assets		80,129	28,414
Purchases of intangible assets		(11,130)	—
Acquisition of subsidiaries	40(b)	(394,711)	(13,720)
Acquisition of minority interests		—	(101,506)
Acquisition of and increases in investments in jointly-controlled entities and associates		(103,651)	(200,708)
Net decrease/(increase) in amounts due from/to and loans to jointly-controlled entities and associates		145,753	(160,625)
Increase in time deposits with a maturity of more than three months when acquired		(528,729)	(210,530)
Decrease/(increase) in pledged bank balances and time deposits		(32,178)	28,923
Proceeds from disposal of long term investments		36,240	47,427
Purchases of long term investments		(98,530)	(45,765)
Disposal of subsidiaries	40(c)	(126,107)	(31,265)
Proceeds from partial disposal of a subsidiary		—	89,739
Disposal of a jointly-controlled entity		—	92,780
Interest received		73,908	140,606
Investment income received		34,782	12,139
Net cash outflow from investing activities		(1,700,734)	(899,483)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital contributions by minority shareholders		61,402	47,693
New convertible bonds		659,444	—
New loans		3,060,937	4,503,929
Repayment of loans		(3,813,245)	(4,385,791)
Interest paid		(219,898)	(251,821)
Dividends paid to minority shareholders		(91,456)	(80,441)
Dividends paid		(174,300)	(155,625)
Net cash outflow from financing activities		(517,116)	(322,056)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(948,958)	123,398
Cash and cash equivalents at beginning of year		3,709,437	3,586,219
Effect of foreign exchange rate changes, net		287	(180)
CASH AND CASH EQUIVALENTS AT END OF YEAR		2,760,766	3,709,437
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	20, 29	1,985,030	1,858,537
Non-pledged time deposits with original maturity of less than three months when acquired	20, 29	775,736	1,862,384
Bank overdrafts	33	—	(11,484)
		2,760,766	3,709,437

