

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2002

| | 2002 RMB'000 | 2001 RMB'000 |
|--|------------------|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 156,280 | 302,809 |
| Adjustments for: | | |
| Loss on disposal of a subsidiary | 20,382 | — |
| Share of result of a jointly controlled entity | (20,388) | (18,447) |
| Interest income from banks | (7,598) | (20,062) |
| Interest income from a jointly controlled entity | (2,016) | (4,336) |
| Dividend income from investment securities | (1,088) | (1,022) |
| Depreciation and amortisation of property, plant and equipment | 27,135 | 46,246 |
| Interest expenses | 2,286 | 10,996 |
| Loss on disposal of property, plant and equipment | 23 | 5,870 |
| Allowance for doubtful debts | — | 130,587 |
| Investment income | — | (1,952) |
| Operating cash flows before movements in working capital | 175,016 | 450,689 |
| Increase in inventories | (54) | — |
| Increase in properties under development and properties held for sale | (125,943) | (65,880) |
| Increase in debtors, deposits and prepayments | (422,411) | (59,144) |
| Decrease in amount due from a jointly controlled entity | 21,122 | 7,547 |
| Decrease (increase) in amount due from a fellow subsidiary | 2,815 | (2,815) |
| Increase in creditors and accrued charges | 155,976 | 27,991 |
| Cash (used in) generated from operations | (193,479) | 358,388 |
| PRC Enterprise Income Tax paid | (13,406) | (202,224) |
| Interest paid | (2,286) | (12,472) |
| NET CASH (USED IN) GENERATED FROM OPERATING ACTIVITIES | (209,171) | 143,692 |

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2002

| | NOTE | 2002 RMB'000 | 2001 RMB'000 |
|--|------|-----------------------|-----------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Disposal of a subsidiary (net of cash and cash equivalent disposed of) | 31 | 898,705 | — |
| Dividend received from a jointly controlled entity | | 12,266 | 16,810 |
| Interest received | | 11,557 | 19,623 |
| Dividend received from investment securities | | 1,088 | 1,022 |
| Advance to a building contractor | | (360,000) | — |
| Deposits paid for investments | | (455,374) | — |
| Repayment from a jointly controlled entity | | 44,477 | — |
| Purchase of property, plant and equipment | | (12,690) | (23,929) |
| Investment income received | | — | 1,952 |
| | | <u>140,029</u> | <u>15,478</u> |
| NET CASH GENERATED FROM INVESTING ACTIVITIES | | | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| New bank loans raised | | 120,000 | 80,000 |
| Pledged bank deposits released | | 63,636 | 265,150 |
| Advance from (repayment to) ultimate holding company | | 8,786 | (5,956) |
| Repayment of bank loans borrowed | | (80,000) | (250,000) |
| Dividend paid | | — | (128,432) |
| Bank deposits pledged | | — | (63,636) |
| Capital contribution from a minority interest of a subsidiary | | — | 200 |
| | | <u>112,422</u> | <u>(102,674)</u> |
| NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES | | | |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | | |
| | | 43,280 | 56,496 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR | | | |
| | | <u>443,028</u> | <u>386,532</u> |
| CASH AND CASH EQUIVALENTS AT END OF THE YEAR | | | |
| Bank balances and cash | | <u><u>486,308</u></u> | <u><u>443,028</u></u> |