

# Consolidated Cash Flow Statement

Year ended 31 December 2002

	Notes	2002 HK\$'000	2001 HK\$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		704,129	826,357
Adjustments for:			
Finance costs	7	43,114	66,579
Interest income	5	(22,723)	(93,861)
Depreciation	6	135,095	117,463
Goodwill amortisation	6	38,316	27,015
Negative goodwill recognised as income	6	(4,138)	(3,231)
Recognition of negative goodwill from capital reserve upon impairment of underlying assets	6	(116,603)	–
Loss/(gain) on changes in fair values of short term investments	6	1,035	(551)
Provisions for doubtful debts and bad debts written off	6	10,464	5,031
Write-back of provisions for doubtful debts	6	(10,338)	(1,094)
Write-back of provisions for diminutions in values of interests in jointly controlled entities and associates		–	(3,383)
Gain on disposal of an associate		–	(53,043)
Loss on disposal of a subsidiary	6	372	–
Write-back of long outstanding payables	5	(27,174)	(39,743)
Reversal of hotel property revaluation deficits	5	(50,470)	(652)
Hotel property revaluation deficit	6	116,603	–
Impairment of depreciable investment properties	6	3,030	–
Revaluation deficit of other investment properties	6	53,869	–
Provisions for slow-moving inventories	6	544	1,102
Write-off of properties under development	6	1,101	–
Gain on disposal of fixed assets, net	5	(1,365)	(621)
Loss on changes in fair values of long term investments	6	28	233
Share of profits and losses of jointly controlled entities		(261,243)	(245,282)
Share of profits and losses of associates		(46,950)	(34,009)
Operating profit before working capital changes		566,696	568,310
Decrease/(increase) in inventories		(532)	4,511
Decrease/(increase) in trade receivables and other receivables		(121,709)	100,553
Decrease in an amount due from ultimate holding company		21,961	87,378
Decrease/(increase) in amounts due from fellow subsidiaries		(782)	213,688
Increase/(decrease) in trade payables, other payables and accruals		113,023	(376,084)
Decrease in amounts due to fellow subsidiaries		(1,524)	(207,748)
Increase in deferred income		14,055	10,370
Decrease/(increase) in amounts due from jointly controlled entities		(4,130)	1,184
Increase in amounts due from associates		(4,008)	–
Effect of foreign exchange rate changes, net		2,694	1,550
Cash generated from operations		585,744	403,712
Hong Kong profits tax paid		(54,528)	(34,912)
Overseas taxes paid		(40,645)	(37,045)
Net cash inflow from operating activities		490,571	331,755

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NET CASH INFLOW FROM OPERATING ACTIVITIES		490,571	331,755
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		22,723	93,861
Dividends from an associate		11,806	760
Dividends from a jointly controlled entity		203,067	15
Proceeds from disposal of interests in an associate		1,978	389,283
Proceeds from disposal of interests in a jointly controlled entity		273	–
Proceeds from disposal of long term investment		65	–
Purchases of long term investments		–	(18,608)
Purchases of fixed assets		(100,496)	(62,788)
Proceeds from disposal of fixed assets		34,317	7,558
Additions to properties under development		(132,808)	(254,312)
Acquisition from minority shareholders		(98,852)	–
Acquisition of subsidiaries	36(c)	1,540	(1,069,783)
Disposal of a subsidiary	36(d)	372	–
Repayment from/(advance to) jointly controlled entities		(204,463)	1,015,647
Repayment from associates		43,465	46,110
Decrease in pledged time deposits		614	40,161
Redemption of convertible bonds		66,000	–
Net cash inflow/(outflow) from investing activities		(150,399)	187,904
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(31,729)	(85,775)
Interest element of finance lease and hire purchase contract payments		(149)	(348)
Dividends paid		(380,018)	(303,403)
Dividends paid to minority shareholders		(53,291)	(54,962)
Advance from minority shareholders		387	–
Repayment to minority shareholders		(9,423)	–
Contributions from minority shareholders		1,951	–
Proceeds from issue of new shares		3,048	8,294
New bank loans		1,000,000	1,157,418
Repayment of bank loans		(1,336,034)	(400,844)
Capital element of finance lease and hire purchase contract payments		(2,568)	(2,498)
Net cash inflow/(outflow) from financing activities		(807,826)	317,882
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(467,654)	837,541
Cash and cash equivalents at beginning of year		1,639,187	801,646
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,171,533	1,639,187
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	25	855,255	516,700
Non-pledged time deposits with original maturity of less than three months when acquired		316,636	1,127,153
Bank overdrafts, unsecured	29	(358)	(4,666)
		1,171,533	1,639,187