

# Consolidated Cash Flow Statement

for the year ended 30th June, 2003

Notes	2003 HK\$'000	2002 HK\$'000
Operating activities		
Profit from ordinary activities before taxation	3,311,683	3,085,952
Adjustments for:		
Interest income	(198,622)	(327,438)
Interest expense	51,389	79,365
Finance charges on obligations under finance leases	70	226
Amortisation and depreciation	103,266	116,140
Amortisation of goodwill	27,973	38,000
Bad debts written off	93,098	5,111
Exchange difference	(1,376)	1,376
Loss / (profit) on disposal of fixed assets	5,649	(92,789)
Impairment loss on property, plant and equipment	14,318	60,260
Dividends from investments in securities	(65,000)	(40,570)
(Surplus) / deficit on revaluation of investments in securities	(63,104)	52,984
Impairment loss in value of investment securities	1,094	11,002
Profit on disposal of investments in securities	(12,815)	(2,285)
Impairment loss / (reversal of impairment loss) in value of associates	1,364	(120,000)
Share of profits less losses of associates	(1,443,117)	(1,562,716)
Deficit / (surplus) on winding up of associates	289	(1,682)
Loss / (profit) on disposal of interest in associates and a jointly controlled entity	76,699	(32,842)
Share of profits less losses of jointly controlled entities	(649,601)	152,937
(Profit) / loss on disposal of interest in subsidiaries	(99,530)	4,417
Provision on property projects	327,707	57,722
Profit realised on dilution of interest in a subsidiary	—	(34,456)
Revaluation reserve realised upon disposal of properties	(307)	(9,927)
Operating profit before changes in working capital	1,481,127	1,440,787
Decrease in other receivable	—	2,630,803
Decrease / (increase) in properties held for development	374,061	(673,379)
Decrease in leasehold land	26,569	163,263
Decrease in properties under development	4,057,945	97,219
Decrease in properties held for resale	7,492	—
(Increase) / decrease in completed properties for sale	(2,234,537)	393,495
Decrease in inventories	9,688	4,247
(Increase) / decrease in amounts due from customers for contract work	(65,734)	84,654
Decrease / (increase) in deposits for acquisition of properties	19,901	(8,602)
Increase in debtors, prepayments and deposits	(4,871)	(156,023)
Decrease in instalments receivable	277,685	619,955
Decrease in loans receivable	—	88,704
Decrease / (increase) in cash held by stakeholders	203,726	(272,828)
(Decrease) / increase in forward sales deposits received	(1,824,060)	2,343,443
(Decrease) / increase in rental and other deposits	(8,168)	6,082
Decrease in creditors and accrued expenses	(155,411)	(1,052,603)
(Decrease) / increase in amounts due to customers for contract work	(51)	51
Decrease in amounts due to fellow subsidiaries	(308,035)	(793,051)
Cash generated from operations	1,857,327	4,916,217

## Consolidated Cash Flow Statement (cont'd)

for the year ended 30th June, 2003

	Notes	2003 HK\$'000	2002 HK\$'000
Interest received		116,138	202,039
Hong Kong profits tax paid		(142,277)	(1,147,773)
Profits tax paid outside Hong Kong		(24,852)	(32,050)
Refund of Hong Kong profits tax		289	10,116
Refund of profits tax outside Hong Kong		102	—
<b>Net cash from operating activities</b>		<b>1,806,727</b>	<b>3,948,549</b>
<b>Investing activities</b>			
Proceeds from disposal of subsidiaries	(a)	276,373	13,293
Proceeds from disposal of fixed assets		88,687	181,087
Additions to fixed assets		(254,273)	(673,747)
Investments in associates		(7,572)	(130,650)
Investments in jointly controlled entities		(35,415)	—
Repayment from / (advance to) associates		18,244	(156,487)
Repayment from / (advance to) jointly controlled entities		97,989	(330,726)
Purchase of investments in securities		(67,674)	(406,955)
Proceeds from redemption of held-to-maturity securities		177,840	—
Proceeds from disposal of investments in securities		129,246	41,283
Proceeds from disposal of associates		263,342	44,254
Proceeds from disposal of a jointly controlled entity		—	4,200
Acquisition of subsidiaries		—	(118,099)
Purchase of additional shares in subsidiaries		—	(149,257)
Interest received		55,900	46,311
Dividends received from associates		937,796	918,836
Dividends received from jointly controlled entities		3,520	20,287
Dividends received from investments in securities		65,000	42,660
Decrease in pledged bank deposits		—	3,865
<b>Net cash from / (used in) investing activities</b>		<b>1,749,003</b>	<b>(649,845)</b>
<b>Financing activities</b>			
Issue of shares to minority shareholders		3,000	943
Contributions from minority shareholders		116,956	76,446
Dividends paid		(1,377,712)	(1,549,926)
Dividends paid to minority shareholders		(218,878)	(230,571)
Interest paid		(324,162)	(490,460)
Finance charges on obligations under finance leases paid		(70)	(226)
New bank loans		6,504,724	9,933,392
Repayment of obligations under finance leases		(417)	(1,010)
Repayment of other loans		(757,541)	—
Repayment of bank loans		(6,405,344)	(11,271,147)
<b>Net cash used in financing activities</b>		<b>(2,459,444)</b>	<b>(3,532,559)</b>
Increase / (decrease) in cash and cash equivalents		1,096,286	(233,855)
Cash and cash equivalents at 1st July		1,114,190	1,348,045
Cash and cash equivalents at 30th June	26	2,210,476	1,114,190

The notes on pages 82 to 127 form part of these accounts.

## Consolidated Cash Flow Statement (cont'd)

for the year ended 30th June, 2003

## Note to the Consolidated Cash Flow Statement

## (a) Disposal of subsidiaries

	2003 HK\$'000	2002 HK\$'000
Net assets disposed of:		
Property, plant and equipment	—	14,836
Properties held for development	176,843	2,922
Inventories	—	216
Debtors, prepayments and deposits	—	444
Amount due from a fellow subsidiary	—	151
Cash and cash equivalents	—	245
Creditors and accrued expenses	—	(814)
Taxation	—	(45)
	<u>176,843</u>	<u>17,955</u>
Net assets	176,843	17,955
Profit / (loss) on disposal	<u>99,530</u>	<u>(4,417)</u>
Total consideration	<u>276,373</u>	<u>13,538</u>
Satisfied by:		
Cash consideration	<u>276,373</u>	<u>13,538</u>
Net cash inflow arising on disposal:		
Cash consideration	276,373	13,538
Bank balances and cash disposed of	<u>—</u>	<u>(245)</u>
	<u>276,373</u>	<u>13,293</u>