

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2003

	2003 HK\$'000	2002 HK\$'000
<b>OPERATING ACTIVITIES</b>		
Profit from operations	<b>883,333</b>	926,839
Adjustments for:		
Impairment loss arising in respect of investments in securities	—	800
Interest income	<b>(1,926)</b>	(4,842)
Dividend income	<b>(22,613)</b>	(10,512)
Depreciation	<b>4,643</b>	4,793
Gain on disposal of investments in securities	<b>(48,159)</b>	—
Gain on property sales	—	(1,500)
(Gain) loss on disposal of property, plant and equipment	<b>(46)</b>	2
Release of negative goodwill arising on acquisition of additional interest in a subsidiary	<b>(60)</b>	(60)
Operating cash flows before movements in working capital	<b>815,172</b>	915,520
(Increase) decrease in accounts receivable, prepayments and deposits	<b>(12,923)</b>	20,604
Decrease in staff housing loans, secured	<b>2,940</b>	5,385
(Decrease) increase in rental deposits from tenants, creditors and accruals	<b>(6,230)</b>	35,118
Cash generated from operations	<b>798,959</b>	976,627
Hong Kong Profits Tax paid	<b>(135,255)</b>	(71,159)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>663,704</b>	905,468
<b>INVESTING ACTIVITIES</b>		
Interest received	<b>1,246</b>	4,222
Dividends received from investments in securities	<b>22,613</b>	9,617
Dividends received from associates	<b>80</b>	150
Additions to investment properties	<b>(417,852)</b>	(362,465)
Additions to property, plant and equipment	<b>(1,909)</b>	(11,872)
Proceeds on disposal of investment properties	—	1,550
Proceeds on disposal of property, plant and equipment	<b>48</b>	50
Acquisition of interest in an associate	<b>(1)</b>	—
Advance to an associate	<b>(107,759)</b>	(10,064)
Net proceeds received on disposal of investments in securities	<b>115,950</b>	—
Advances to investees	<b>(1,187)</b>	(14,957)
Construction costs paid	—	(38)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(388,771)</b>	(383,807)

	2003 HK\$'000	2002 HK\$'000
<b>FINANCING ACTIVITIES</b>		
Net proceeds received on derivatives	—	6,855
Interest paid	(172,404)	(171,213)
Bank charges	(6,884)	(9,543)
Medium Term Note Programme expenses	(897)	(509)
Dividends paid	(313,407)	(366,078)
Dividends paid to minority shareholders of subsidiaries	(34,145)	(53,692)
Share issue expenses	(20)	(10)
New unsecured bank loans	1,798,800	1,750,038
Issue of fixed rate notes	—	1,550,016
Advance from minority shareholders	28,949	—
Repayment of unsecured bank loans	(1,583,238)	(1,231,648)
Repayment of floating rate notes	—	(2,000,000)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(283,246)</b>	<b>(525,784)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(8,313)</b>	<b>(4,123)</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>22,946</b>	<b>27,069</b>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>14,633</b>	<b>22,946</b>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	1,539	1,574
Time deposits	13,094	21,372
	<b>14,633</b>	<b>22,946</b>