

Consolidated Cash Flow Statement

For the year ended 31st December, 2003

	2003 HK\$'000	2002 HK\$'000
OPERATING ACTIVITIES		
Profit (loss) from operations	463,252	(113,617)
Adjustments for:		
Interest income	(54,419)	(23,404)
(Gain) loss on disposal of investment properties	(72,857)	364,508
(Write back of) allowance for properties held for sale	(21,659)	6,403
Realised gain on disposal of investments in securities	(2,300)	(418)
Gain on deemed disposal of an associate	(2,175)	—
Unrealised holding loss on investments in trading securities	155	5,549
Impairment loss reversed in respect of loan to a jointly controlled entity	—	(8,403)
Gain on disposal of a subsidiary	—	(3,745)
Impairment loss on investments in non-trading securities	—	68,017
Loss on dilution of interests in subsidiaries	—	6,348
Amortisation of transaction costs on bank loans	1,200	1,200
Bad debts written off	376	1,303
Depreciation and amortisation	3,750	3,976
Loss (gain) on disposal of property, plant and equipment	967	(1,244)
Gain on repurchase of preference convertible promissory notes	(15,600)	—
Release of negative goodwill	(56,510)	(17,240)
Operating cash flows before movements in working capital	244,180	289,233
Decrease (increase) in inventories	6,641	(1,187)
Increase in properties held for sale	(16,582)	(86,662)
Decrease in other investments	—	17,613
(Increase) decrease in debtors, deposits and prepayments	(98,426)	78,936
Decrease in amounts due from associates	—	796
(Decrease) increase in creditors, deposits received and accrued charges	(556)	16,278
Increase (decrease) in sales deposits on properties for sale received	71,902	(70,851)
Cash generated from operations	207,159	244,156
Interest received	50,809	21,284
Interest and facilities charges paid on bank and other borrowings	(177,109)	(205,915)
Interest paid on obligations under finance leases	—	(208)
Dividends paid	(20,450)	(51,125)
Hong Kong Profits Tax paid	(9,016)	(9,768)
Overseas tax (paid) refunded	(5,989)	2,709
CASH FROM OPERATING ACTIVITIES	45,404	1,133

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For the year ended 31st December, 2003

	Notes	2003 HK\$'000	2002 HK\$'000
INVESTING ACTIVITIES			
Proceeds on disposal of investment properties		2,169,815	669,149
Decrease in pledged bank deposits		88,089	881,202
Repayment of other loans receivable		79,646	—
Dividend received from an associate		5,226	2,495
Proceeds on disposal of investments in securities		4,968	15,285
Proceeds on disposal of property, plant and equipment		2,369	11,023
Repayment from (advance to) jointly controlled entities		66	(62)
Purchase of further interests in subsidiaries		(707,049)	—
Purchase of property, plant and equipment		(131,730)	(7,868)
Purchase of investment properties		(15,229)	(75,104)
Payment of provision for rental guarantees		(9,912)	—
Loan to an associate		(2,020)	—
Addition of other loans receivable		(480)	(87,147)
Purchase of investments in securities		(7)	(11,308)
Repayment of loan from a jointly controlled entity		—	47,040
Purchase of subsidiaries (net of cash and cash equivalents acquired)	41	—	33,318
Disposal of a subsidiary (net of cash and cash equivalents disposed)	42	—	(4,584)
NET CASH FROM INVESTING ACTIVITIES		1,483,752	1,473,439
FINANCING ACTIVITIES			
Repayment of bank and other loans		(1,854,191)	(2,757,578)
(Repayment to) advances from minority shareholders		(45,893)	50,576
Dividends paid to minority shareholders		(27,170)	(52,060)
Repayment to associates		(3,272)	(7,777)
Repayment of obligations under finance leases		(2,683)	(1,367)
Funds received from bank and other loans		1,331,836	1,680,945
Decrease in other payables		—	(4,715)
Repurchase of shares of a subsidiary		—	(4,171)
NET CASH USED IN FINANCING ACTIVITIES		(601,373)	(1,096,147)
NET INCREASE IN CASH AND CASH EQUIVALENTS		927,783	378,425
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		722,825	355,971
Effect of foreign exchange rate changes		160,624	(11,571)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR represented by bank balances and deposits		1,811,232	722,825