

Consolidated Cash Flow Statement

For the year ended 31 December

Note	2003 (HK\$'000)	2002 (HK\$'000)
Operating activities		
Profit before taxation	320,953	568,713
Adjustments for:		
Amortisation and depreciation	153,673	152,401
Finance costs	39,994	101,399
Interest income	(12,474)	(21,776)
Dividends from investments	(17,216)	(25,174)
Net investment loss/(gain)	38,272	(71,521)
Share of results of associates	(42,314)	(21,324)
Share of results of jointly controlled entities	7,586	(1,975)
Loss on disposal of interest in a jointly controlled entity	–	131
Loss on disposal of fixed assets	17,372	923
Capital reserve released upon realisation of assets	(55,958)	(39,400)
(Surplus)/deficit on revaluation of investment properties	(35,024)	35,024
Gain on disposal of investments	(1,129)	–
Gain on repurchase of convertible guaranteed bonds	(27)	(6,444)
Provision for bad and doubtful debts	3,308	–
Excess loss attributable to minority interests	898	–
Operating profit before working capital changes	417,914	670,977
Decrease in properties under development and inventories of properties, excluding net finance costs capitalised	2,759,589	2,337,054
Decrease in other inventories	20,486	7,918
(Increase)/decrease in trade & other debtors, deposits and prepayments	(27,146)	832,867
Decrease/(increase) in sale proceeds of properties held by stakeholders	117,136	(469,366)
(Decrease)/increase in trade & other creditors, deposits and accrued charges	(1,017,953)	1,051,011
Decrease in provision for employee benefits	(4,317)	(2,521)
Cash generated from operations	2,265,709	4,427,940
Hong Kong profits tax paid	(62,125)	(66,661)
Overseas tax paid	(4,309)	(1,252)
Net cash from operating activities	2,199,275	4,360,027

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Investing activities			
Purchase of fixed assets, excluding net finance costs capitalised		(110,975)	(640,359)
Advances to associates		(61)	(78)
Repayments from associates		50,331	54,495
Repayments to associates		–	(10,000)
Acquisition of interests in jointly controlled entities		(16,670)	(10,770)
Capital refund from a jointly controlled entity		11,696	–
Advances to jointly controlled entities		(17,088)	(18,977)
Repayments from jointly controlled entities		5,272	–
Acquisition of investments		(1)	–
Advances to investee companies		–	(36,916)
Advances from investee companies		54,681	19,404
Repayments from investee companies		–	126
New mortgage loans		(109,768)	(919,232)
Repayments of mortgage loans		23,556	12,801
Acquisition of interests in subsidiaries (net of cash and cash equivalents acquired)	23(a)	19,870	13,482
Proceeds on disposal of interest in a subsidiary	23(b)	342,000	–
Proceeds on partial disposal of interest in a subsidiary		100,194	–
Proceeds on disposal of interest in an associate		–	193,806
Proceeds on disposal of interest in a jointly controlled entity		–	1,636
Proceeds on disposal of investments		948	–
Proceeds on disposal of fixed assets		215	1,260
Time deposits released from/(pledged to) a bank		1,200	(1,200)
Time deposits with a maturity over three months		(36,000)	–
Interest received		18,892	60,278
Dividends received from investments		11,895	6,843
Dividends received from associates		11,040	24,521
Net cash from/(used in) investing activities		361,227	(1,248,880)
Financing activities			
New loans		944,340	2,667,871
Repayments of loans		(2,664,033)	(5,000,356)
Proceeds from issuance of shares under the rights issue		–	388,487
Expenses paid on issuance of shares		–	(6,272)
Repurchase of convertible guaranteed bonds		(14,274)	(271,329)
Contribution by minority shareholders		–	4
Interest paid		(37,538)	(400,591)
Dividends paid to shareholders		(97,006)	(126,148)
Dividends paid to minority shareholders		(11,600)	(52,320)
Net cash used in financing activities		(1,880,111)	(2,800,654)
Net increase in cash and cash equivalents		680,391	310,493
Effect of foreign exchange rates changes		(63)	(3)
Cash and cash equivalents at 1 January		897,844	587,354
Cash and cash equivalents at 31 December	23(c)	1,578,172	897,844

The notes on pages 48 to 89 form an integral part of these financial statements. The Report of the Auditors is on page 41.