

# Consolidated Cash Flow Statement

Year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>32,691</b>	684,470
Adjustments for:			
Finance costs	7	<b>28,066</b>	43,114
Interest income	5	<b>(20,825)</b>	(22,723)
Dividend income from unlisted investments	5	<b>(47)</b>	(351)
Depreciation	6	<b>134,488</b>	135,095
Goodwill amortisation	6	<b>37,951</b>	39,595
Impairment of goodwill	6	<b>150,475</b>	–
Negative goodwill recognised as income	6	<b>(4,314)</b>	(4,414)
Recognition of negative goodwill from capital reserve upon impairment of underlying assets	6	<b>(307,219)</b>	(97,947)
Recognition of negative goodwill upon impairment of underlying assets	6	<b>(8,047)</b>	–
Impairment of goodwill previously carried in capital reserve	6	<b>13,061</b>	–
Loss/(gain) on changes in fair values of short term investments	6	<b>(645)</b>	1,035
Impairment of short term investment	6	<b>803</b>	–
Provisions for doubtful debts and bad debts written off	6	<b>5,771</b>	10,464
Write-back of provisions for doubtful debts	6	<b>(3,456)</b>	(10,338)
Gain on disposal of associates	5	<b>(236)</b>	–
Loss on disposal of a subsidiary	6	–	372
Impairment of interests in jointly-controlled entities	6	<b>1,515</b>	–
Write-back of long outstanding payables	5	–	(27,174)
Reversal of hotel property revaluation deficits	5	–	(50,470)
Impairment of fixed assets	6	<b>77,466</b>	–
Impairment of depreciable investment properties	6	<b>4,389</b>	3,030
Revaluation deficit of other investment properties	6	<b>27,763</b>	53,869
Hotel property revaluation deficit	6	<b>492,950</b>	116,603
Provisions for slow-moving inventories	6	–	544
Write-off of properties under development	6	<b>2,805</b>	1,101
Gain on disposal of fixed assets, net	5	<b>(533)</b>	(1,365)
Loss on changes in fair values of long term investments	6	–	28
Loss on disposal of long term investments	6	<b>771</b>	–
Share of profits and losses of jointly-controlled entities		<b>(278,996)</b>	(261,243)
Share of profits and losses of associates		<b>(3,854)</b>	(46,950)
Operating profit before working capital changes		<b>382,793</b>	566,345
Decrease/(increase) in inventories		<b>3,267</b>	(532)
Increase in trade receivables and other receivables		<b>(91,341)</b>	(121,709)
Decrease/(increase) in an amount due from ultimate holding company		<b>(281)</b>	21,961
Increase in amounts due from fellow subsidiaries		<b>(835)</b>	(782)
Increase in trade payables, other payables and accruals		<b>13,202</b>	113,023
Increase/(decrease) in amounts due to fellow subsidiaries		<b>2,846</b>	(1,524)
Increase in deferred income		<b>22,164</b>	14,055
Increase in amounts due from jointly-controlled entities		<b>(22,411)</b>	(4,130)
Increase in amounts due from associates		<b>(24,262)</b>	(4,008)
Refund of sales deposit		<b>(52,000)</b>	–
Effect of foreign exchange rate changes, net		<b>1,873</b>	2,694
Cash generated from operations		<b>235,015</b>	585,393
Hong Kong profits tax paid		<b>(68,191)</b>	(54,528)
Overseas taxes paid		<b>(1,422)</b>	(40,645)
Net cash inflow from operating activities		<b>165,402</b>	490,220

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<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		<b>165,402</b>	490,220
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		<b>20,825</b>	22,723
Dividends income from unlisted investments		<b>47</b>	351
Dividends received from an associate		<b>12,006</b>	11,806
Dividends received from a jointly-controlled entity		<b>214,657</b>	203,067
Disposal of an associate		<b>194</b>	1,978
Disposal of a jointly controlled entity		<b>–</b>	273
Proceeds from disposal of long term investments		<b>2,295</b>	65
Purchases of fixed assets		<b>(119,391)</b>	(100,496)
Proceeds from disposal of fixed assets		<b>16,195</b>	34,317
Additions to properties under development	15	<b>(169,360)</b>	(132,808)
Purchases of short term investment		<b>(12,053)</b>	–
Acquisition from minority shareholders		<b>–</b>	(98,852)
Acquisition of subsidiaries	37(b)	<b>9,346</b>	1,540
Acquisition of jointly-controlled entities		<b>(46,847)</b>	–
Disposal of a subsidiary	37(c)	<b>–</b>	372
Advance to jointly-controlled entities		<b>(681)</b>	(204,463)
Repayment from associates		<b>23,513</b>	43,465
Decrease/(increase) in pledged time deposits		<b>(1,635)</b>	614
Increase in time deposits with original maturity of more than three months when acquired		<b>(200,533)</b>	–
Redemption of convertible bonds		<b>–</b>	66,000
Net cash outflow from investing activities		<b>(251,422)</b>	(150,048)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		<b>(20,216)</b>	(31,729)
Interest element of finance lease and hire purchase contract payments		<b>(41)</b>	(149)
Dividends paid		<b>(168,919)</b>	(380,018)
Dividends paid to minority shareholders		<b>(42,047)</b>	(53,291)
Advance from minority shareholders		<b>–</b>	387
Repayment to minority shareholders		<b>–</b>	(9,423)
Contributions from minority shareholders		<b>–</b>	1,951
Proceeds from issue of new shares	34	<b>11,550</b>	3,048
New bank loans		<b>6,193,894</b>	1,000,000
Repayment of bank loans		<b>(6,060,455)</b>	(1,336,034)
Proceeds from issue of convertible bond	32	<b>1,163,250</b>	–
Convertible bond issue expenses		<b>(28,291)</b>	–
Capital element of finance lease and hire purchase contract payments		<b>(716)</b>	(2,568)
Net cash inflow/(outflow) from financing activities		<b>1,048,009</b>	(807,826)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>961,989</b>	(467,654)
Cash and cash equivalents at beginning of year		<b>1,171,533</b>	1,639,187
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>2,133,522</b>	1,171,533
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	25	<b>1,325,625</b>	855,255
Non-pledged time deposits with original maturity of less than three months when acquired	25	<b>813,152</b>	316,636
Bank overdrafts, unsecured	29	<b>(5,255)</b>	(358)
		<b>2,133,522</b>	1,171,533