

# Consolidated Cash Flow Statement

For the year ended 31 December 2003

<i>Notes</i>	<b>2003</b> <b>HK\$'000</b>	2002 <i>HK\$'000</i>
Profit from operations	<b>996,434</b>	183,857
Adjustments for:		
Impairment losses and allowances (reversed) recognised (note 6)	<b>(221,029)</b>	480,000
Depreciation and amortisation	<b>108,834</b>	104,050
Negative goodwill released to income	<b>(2,917)</b>	(2,890)
Gain on disposal of investment properties	<b>(55)</b>	–
Loss on disposal of property, plant and equipment	<b>334</b>	331
Gain on disposal of infrastructure projects	<b>(2,323)</b>	–
Loss on disposal of subsidiaries	–	7,369
Gain on partial disposal of a subsidiary	–	(9,485)
Loss on disposal of an associate	–	850
Operating cash flows before movements in working capital	<b>879,278</b>	764,082
Decrease (increase) in instalments receivable	<b>1,218</b>	(4,029)
Increase in inventories	<b>(883)</b>	(3)
Decrease in properties for sale	<b>1,031,781</b>	898,545
Decrease in amounts due from customers for contract work	<b>22,912</b>	23,347
Decrease in investments in securities	<b>4,246</b>	1,823
Increase in trade and other receivables, deposits and prepayments	<b>(369,446)</b>	(232,065)
(Increase) decrease in restricted bank balances	<b>(124,333)</b>	107,422
Increase in trade and other payables, sales and other deposits	<b>838,847</b>	773,177
Increase in amounts due to customers for contract work	<b>136,708</b>	32,215
Cash generated from operations	<b>2,420,328</b>	2,364,514
Income taxes paid	<b>(103,496)</b>	(79,691)
Income taxes refunded	<b>42,213</b>	6,527
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>2,359,045</b>	2,291,350
<b>INVESTING ACTIVITIES</b>		
Dividends from associates received	<b>6,611</b>	10,830
Dividends from jointly controlled entities	<b>14,728</b>	–
(Increase) decrease in pledged bank deposits	<b>(3,584)</b>	26,203
Purchase of property, plant and equipment	<b>(116,860)</b>	(127,314)
Acquisition of subsidiaries (net of cash and cash equivalents acquired) 36	<b>(55,179)</b>	64,814
Acquisition of additional interests in subsidiaries	<b>(37,220)</b>	–
Disposal of subsidiaries (net of cash and cash equivalents disposed of) 37	–	146,660
Investments in associates	<b>(76,291)</b>	(15,741)
Advances from associates	<b>4,537</b>	3,676
Advances to associates	<b>(2,748)</b>	(46,624)
Investments in jointly controlled entities	<b>(312,624)</b>	–
Advances to jointly controlled entities	<b>(11,556)</b>	–

# Consolidated Cash Flow Statement *(cont'd)*

For the year ended 31 December 2003

	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
<b>INVESTING ACTIVITIES</b> (cont'd)		
Repayment of capital from jointly controlled entities	19,528	–
Repayments of capital from infrastructure investments	17,225	16,718
(Advances to) repayments from infrastructure project companies	(9)	186,353
Net proceeds on disposal of infrastructure projects	161,491	–
Decrease in investment in syndicated property projects	–	6
Repayments from (advances to) syndicated property project companies	159,632	(27,061)
Advances to other investees	(6,719)	–
Expenditure on properties for development	(1,437,113)	(968,814)
Net proceeds on sales of investment properties	2,900	1,063
Net proceeds on sales of property, plant and equipment	3,558	5,154
Net proceeds on disposal of an associate	4,178	4,528
	<u>(1,665,515)</u>	<u>(719,549)</u>
<b>FINANCING ACTIVITIES</b>		
Interest paid	(98,410)	(123,543)
Other finance costs paid	(6,036)	(7,490)
Dividends paid	(162,374)	(218,572)
Dividends paid to minority shareholders	–	(7,881)
Net proceeds from issue of ordinary shares	32,683	3,602
Repurchase of own shares	(15,094)	(45,147)
New bank loans raised	887,736	2,733,867
Repayments of bank loans	(871,697)	(3,462,579)
Contributions and advances from minority shareholders of subsidiaries	13,387	103,325
Repayment of contributions and advances from minority shareholders of subsidiaries	(134,826)	(81,903)
	<u>(354,631)</u>	<u>(1,106,321)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(354,631)</b>	<b>(1,106,321)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>338,899</b>	<b>465,480</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>1,844,102</b>	<b>1,365,569</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>–</b>	<b>13,053</b>
	<u>2,183,001</u>	<u>1,844,102</u>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>2,183,001</b>	<b>1,844,102</b>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Bank balances and cash	2,369,952	1,912,724
Less: restricted bank balances (note 28)	(186,951)	(62,618)
Bank loans and overdrafts	–	(6,004)
	<u>2,183,001</u>	<u>1,844,102</u>