

Consolidated Cash Flow Statement

Year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		834,694	737,570
Adjustments for:			
Finance costs	7	150,370	219,898
Share of profits and losses of jointly-controlled entities and associates		(63,951)	(66,231)
Revaluation deficit/(surplus) on investment and hotel properties, net		(200)	2,070
Depreciation	6	538,232	462,791
Amortisation of operating concessions	6	101,367	89,982
Amortisation of management information systems	6	1,886	1,887
Amortisation of licences	6	735	–
Amortisation of goodwill	6, 18	25,095	18,144
Negative goodwill recognised as income	5	(10,414)	(28,448)
Impairment of fixed assets	6	–	5,078
Impairment of deferred development costs	6	13,294	–
Impairment of goodwill	6	7,488	–
Impairment of interest in an associate	6	7,065	–
Impairment of long term investments	6	46,577	45,712
Interest income		(38,598)	(73,908)
Investment income	5	(7,429)	(34,782)
Gain on disposal of fixed assets, net	5	(8,948)	(2,182)
Gain on disposal of subsidiaries	5	–	(2,561)
Gain on deemed disposal of interests in subsidiaries	5	(96,530)	–
Gain on partial disposal of interest in a jointly-controlled entity	5	(779)	–
Gain on disposal of long term investments	5	(8,008)	(8,092)
Gain on disposal of short term investments	5	(1,227)	(2,509)
Unrealised (gain)/loss on revaluation of short term investments, net	6	(2,345)	10,100
Operating profit before working capital changes		1,488,374	1,374,519
Decrease/(increase) in properties held for sale		(118,607)	186,150
Decrease/(increase) in properties under development		175,563	(155,210)
Decrease/(increase) in inventories		80,353	(41,757)
Increase in amount due from contract customers		(2,234)	(3,517)
Increase in trade and bills receivables		(151,097)	(64,254)
Decrease/(increase) in other receivables		42,374	(189,244)
Purchases of short term investments		(6,294)	(31,985)
Proceeds from disposal of short term investments		8,383	21,933
Decrease/(increase) in taxes recoverable		(6,182)	21,752
Increase in trade and bills payables		11,702	162,356
Increase in amounts due to contract customers		24,612	1,204
Increase in other payables and accruals		324,331	3,506
Increase in other taxes payable		6,846	11,830
Increase/(decrease) in other long term liabilities		(25,043)	15,215
Cash generated from operations		1,853,081	1,312,498
Dividends received from associates		9,914	151,365
Hong Kong profits tax paid		(571)	(1,251)
Mainland China income tax paid		(111,810)	(193,480)
Overseas income tax paid		(14)	(240)
Net cash inflow from operating activities		1,750,600	1,268,892

Consolidated Cash Flow Statement *(continued)*

Year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets	7, 14	(799,507)	(776,510)
Proceeds from disposal of fixed assets		91,748	80,129
Purchases of intangible assets	15	(4,050)	(11,130)
Acquisition of subsidiaries	41(a)	(75,545)	(394,711)
Acquisition of minority interests		(43,315)	–
Disposal of subsidiaries	41(b)	–	(126,107)
Acquisition of and increases in investments in jointly-controlled entities and associates		(68,691)	(103,651)
Proceeds from partial disposal of interest in a jointly-controlled entity		21,667	–
Deposit paid for acquisition of interest in a company	27	(141,309)	–
Net decrease in amounts due from/to and loans to jointly-controlled entities and associates		23,154	145,753
Purchases of long term investments		(40,012)	(98,530)
Proceeds from disposal of long term investments		51,179	36,240
Decrease/(increase) in time deposits with a maturity of more than three months when acquired		214,225	(528,729)
Decrease/(increase) in pledged bank balances and time deposits		8,068	(32,178)
Interest received		38,598	73,908
Investment income received		7,429	34,782
Net cash outflow from investing activities		(716,361)	(1,700,734)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital contributions by minority shareholders		420,250	61,402
New convertible bonds		–	659,444
New loans		1,860,101	3,060,937
Repayment of loans		(2,598,517)	(3,813,245)
Interest paid	7	(151,174)	(219,898)
Dividends paid		(174,300)	(174,300)
Dividends paid to minority shareholders		(68,142)	(91,456)
Net cash outflow from financing activities		(711,782)	(517,116)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		322,457	(948,958)
Cash and cash equivalents at beginning of year		2,760,766	3,709,437
Effect of foreign exchange rate changes, net		(223)	287
CASH AND CASH EQUIVALENTS AT END OF YEAR		3,083,000	2,760,766

Consolidated Cash Flow Statement *(continued)*

Year ended 31 December 2003

	<i>Notes</i>	2003 HK\$'000	2002 HK\$'000 (Restated)
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	<i>20, 30</i>	1,994,332	1,985,030
Non-pledged time deposits with original maturity of less than three months when acquired	<i>20, 30</i>	1,088,668	775,736
		3,083,000	2,760,766