

For the year ended 31 December

	2002 (HK\$'000)	(Restated) 2001 (HK\$'000)
<b>Operating activities</b>		
Profit before taxation	568,713	526,296
Adjustments for:		
Amortisation and depreciation	152,401	157,709
Finance costs	101,399	122,740
Interest income	(21,776)	(50,122)
Dividends from investments	(25,174)	(14,693)
Net investment gain	(71,521)	—
Share of results of associates	(21,324)	(12,920)
Share of results of jointly controlled entities	(1,975)	17,916
Loss on disposal of interest in a jointly controlled entity	131	—
Loss/(profit) on disposal of fixed assets	923	(848)
Capital reserve released upon realisation of assets	(39,400)	—
Deficit/(surplus) on revaluation of investment properties	35,024	(2,367)
Gain on repurchase of convertible guaranteed bonds	(6,444)	—
<b>Operating profit before working capital changes</b>	<b>670,977</b>	<b>743,711</b>
Decrease in properties under development and inventories of properties, excluding net finance costs capitalised	2,337,054	2,378,835
Decrease/(increase) in other inventories	7,918	(4,883)
Decrease/(increase) in trade & other debtors, deposits and prepayments	832,867	(328,059)
(Increase)/decrease in sale proceeds of properties held by stakeholders	(469,366)	212,737
Increase in trade & other creditors, deposits and accrued charges	1,047,980	91,431
Decrease in provision for employee benefits	(2,521)	—
<b>Cash generated from operations</b>	<b>4,424,909</b>	<b>3,093,772</b>
Hong Kong profits tax paid	(66,661)	(6,312)
Overseas tax paid	(1,252)	(504)
<b>Net cash from operating activities</b>	<b>4,356,996</b>	<b>3,086,956</b>

	Note	2002 (HK\$'000)	(Restated) 2001 (HK\$'000)
<b>Investing activities</b>			
Purchase of fixed assets, excluding net finance costs capitalised		(640,359)	(374,806)
Advances to associates		(78)	—
Repayments from associates		54,495	41,724
Repayments to associates		(10,000)	(10,000)
Acquisition of interests in jointly controlled entities		(10,770)	(15,580)
Advances to jointly controlled entities		(18,977)	(18,998)
Acquisition of investments		—	(19,891)
Advances to investee companies		(36,916)	—
Advances from investee companies		4,104	—
Repayments from investee companies		126	74
New mortgage loans		(919,232)	(633,775)
Repayments of mortgage loans		12,801	11,169
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 fixed assets		1,260	74,213
Acquisition of interest in a subsidiary (net of cash and cash equivalents acquired)	22(a)	13,482	—
Time deposits pledged to a bank		(1,200)	—
Interest received		60,278	35,667
Dividends received from investments		25,174	14,693
Dividends received from associates		24,521	24,290
<b>Net cash used in investing activities</b>		<b>(1,245,849)</b>	<b>(871,220)</b>
<b>Financing activities</b>			
New loans		2,667,871	1,970,831
Repayments of loans		(5,000,356)	(4,122,522)
Proceeds from issuance of shares under the rights issue		388,487	—
Expenses paid on issuance of shares		(6,272)	—
Repurchase of convertible guaranteed bonds		(271,329)	—
Contribution by minority shareholders		4	—
Interest paid		(400,591)	(269,033)
Dividends paid to shareholders		(126,148)	(77,750)
Dividends paid to minority shareholders		(52,320)	(2,501)
<b>Net cash used in financing activities</b>		<b>(2,800,654)</b>	<b>(2,500,975)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>310,493</b>	<b>(285,239)</b>
<b>Effect of foreign exchange rates changes</b>		<b>(3)</b>	<b>—</b>
<b>Cash and cash equivalents at 1 January</b>		<b>587,354</b>	<b>872,593</b>
<b>Cash and cash equivalents at 31 December</b>	22(b)	<b>897,844</b>	<b>587,354</b>

The notes on pages 47 to 77 form an integral part of these financial statements. The Report of the Auditors is on page 40.