

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30th June, 2003

	NOTES	2003 HK\$	2002 HK\$
OPERATING ACTIVITIES			
Profit from operations		602,992,668	748,030,698
Adjustments for:			
Impairment loss on investments in other securities		252,397,016	103,107,616
Unrealised holding loss on investments in trading securities		124,091,924	180,228,233
Loss (profit) on disposal of investment properties		17,927,321	(419,515,734)
Depreciation		16,678,842	18,053,567
Loss on disposal of property, plant and equipment		31,353	67,954
Loss on disposal of investments in other securities		—	129,255,068
Operating cash flows before movements in working capital		1,014,119,124	759,227,402
Increase in properties under development		(5,588,708,013)	(2,722,275,273)
Decrease in stocks of unsold properties		2,296,446,175	13,300,958
Decrease (increase) in hotel inventories		901,456	(2,115,691)
Increase in accounts and other receivables		(308,699,374)	(28,303,748)
(Decrease) increase in accounts and other payables		(1,292,920,690)	4,061,854,746
Net change in current accounts with associates		808,250,384	697,664,344
Increase in investments in securities		—	(1,792,087)
Cash (used in) generated from operations		(3,070,610,938)	2,777,560,651
Hong Kong Profits Tax paid		(19,572,693)	(67,202,247)
NET CASH (USED IN) FROM OPERATING ACTIVITIES		(3,090,183,631)	2,710,358,404
INVESTING ACTIVITIES			
Decrease (increase) in restricted bank deposits		518,299,427	(145,554,821)
Repayments from (advances to) associates		148,785,153	(1,790,391,120)
Decrease (increase) of long-term loans receivable		122,491,516	(638,760,791)
Interest received		97,671,957	125,470,873
Proceeds from disposal of investment properties		92,233,000	656,127,000
Dividends received from associates		88,502,500	697,875,000
Repayment from investee companies		64,404,695	2,871,273
Proceeds from disposal of an associate		31,201,966	110,303,146
Proceeds from disposal of property, plant and equipment		198,617	313,974
Acquisition of a subsidiary (net of cash and cash equivalents acquired)	36	122,321	1,658,544
Purchase of investments in securities		(174,072,608)	(44,773,608)
Acquisition of an unsecured loan from a former fellow subsidiary of a subsidiary		(92,765,410)	(96,558,776)
Additions of hotel property		(24,349,375)	(21,293,305)
Purchase of investment properties		(16,797,214)	(51,224,049)
Purchase of property, plant and equipment		(8,516,334)	(50,808,296)
Acquisition of associates		—	(34,633,380)
Proceeds from disposal of investments in securities		—	64,756,014
Proceeds from disposal of subsidiaries (net of cash and cash equivalents disposed of)	37	—	43,054,537
Deposit paid for purchase of land		—	(20,000,000)
NET CASH FROM (USED IN) INVESTING ACTIVITIES		847,410,211	(1,191,567,785)

CONSOLIDATED CASH FLOW STATEMENT *(Continued)*

For the year ended 30th June, 2003

	2003 <i>HK\$</i>	2002 <i>HK\$</i>
FINANCING ACTIVITIES		
New bank and other loans	3,407,305,787	2,584,530,587
Advances from minority shareholders	372,156,099	9,621,415
Advances from associates	262,599,302	1,161,240,598
Capital contribution from a minority shareholder	30	—
Repayments of bank and other loans	(2,264,986,766)	(3,019,296,631)
Interest paid	(406,078,322)	(482,630,322)
Finance costs paid upon early repayment of loans	(107,999,777)	—
Repurchase of own shares	(90,262,382)	(57,599,045)
Dividends paid	(34,465,016)	(44,202,085)
Loan arrangement fees paid	(9,621,667)	(10,837,264)
Commitment fees paid	(4,514,314)	(3,040,601)
Shares issue expenses	(260,100)	(60,100)
Issue of convertible notes	—	1,500,000,000
Redemption of convertible bonds	—	(1,168,401,969)
Issue costs of convertible notes paid	—	(37,565,291)
Dividends paid to minority shareholders	—	(1,600,000)
Advances from investee companies	—	1,220,126
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NET CASH FROM FINANCING ACTIVITIES	1,123,872,874	431,379,418
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NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,118,900,546)	1,950,170,037
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	2,202,065,294	249,742,346
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(2,773,080)	2,152,911
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CASH AND CASH EQUIVALENTS CARRIED FORWARD	1,080,391,668	2,202,065,294
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ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Time deposits, bank balances and cash	1,084,955,668	2,207,629,294
Bank overdrafts	(4,564,000)	(5,564,000)
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	1,080,391,668	2,202,065,294
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