

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30th June, 2003

	<i>NOTES</i>	2003 <i>HK\$</i>	2002 <i>HK\$</i>
OPERATING ACTIVITIES			
Profit from operations		511,170,821	701,393,345
Adjustments for:			
Unrealised holding loss on investments in trading securities		281,778,373	276,725,457
Impairment loss on investments in other securities		252,397,016	103,107,616
Loss (profit) on disposal of investment properties		17,927,321	(419,515,734)
Depreciation		16,775,597	18,288,045
Loss on disposal of property, plant and equipment		31,352	67,954
Recognition of negative goodwill		(33,843,104)	(21,921,860)
Loss on disposal of investments in other securities		—	129,255,068
Operating cash flows before movements in working capital		1,046,237,376	787,399,891
Increase in properties under development		(5,588,708,013)	(2,722,275,273)
Decrease in stocks of unsold properties		2,296,094,826	11,415,266
Decrease (increase) in hotel inventories		901,456	(2,115,691)
Decrease in investments in securities		641,656	2,144,928
Increase in accounts and other receivables		(301,749,996)	(19,943,105)
(Decrease) increase in accounts and other payables		(1,264,306,962)	4,055,998,830
Net change in current accounts with associates		808,250,384	697,664,344
Cash (used in) generated from operations		(3,002,639,273)	2,810,289,190
Hong Kong Profits Tax paid		(19,572,693)	(67,698,260)
Taxation in other jurisdictions paid		(2,321,936)	(4,839,250)
NET CASH (USED IN) FROM OPERATING ACTIVITIES		(3,024,533,902)	2,737,751,680
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		97,788,765	125,584,425
Proceeds from disposal of investment properties		92,233,000	656,127,000
Dividends received from associates		88,502,500	697,991,424
Repayments from investee companies		55,323,297	2,871,273
Proceeds from disposal of an associate		31,201,966	110,303,146
Proceeds from disposal of property, plant and equipment		198,618	313,974
Acquisition of a subsidiary (net of cash and cash equivalents acquired)	37	122,321	1,658,544
Purchase of investments in securities		(174,234,703)	(44,834,948)
Acquisition of additional interest in a subsidiary		(97,002,343)	(76,683,486)
Acquisition of an unsecured loan from a former fellow subsidiary of a subsidiary		(92,765,410)	(96,558,776)
Repurchase of its own shares by a listed subsidiary		(90,262,382)	(57,599,045)
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		(8,521,429)	(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)	38	—	43,054,537
Deposit paid for purchase of land		—	(20,000,000)
NET CASH FROM (USED IN) INVESTING ACTIVITIES		651,013,707	(1,325,681,680)

CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the year ended 30th June, 2003

	2003 HK\$	2002 HK\$
FINANCING ACTIVITIES		
New bank and other loans	3,740,738,657	4,222,919,799
Advances from minority shareholders	372,156,099	9,621,415
Advances from associates	262,599,302	1,161,149,791
Advances from investee companies	9,081,398	1,220,126
Capital contribution from a minority shareholder	30	—
Repayments of bank and other loans	(2,515,963,868)	(4,380,402,310)
Interest paid	(538,116,800)	(606,120,978)
Finance costs paid upon early repayment of loans	(107,999,777)	—
Dividends paid to minority shareholders	(34,465,016)	(45,802,085)
Loan arrangement fees paid	(9,621,667)	(10,837,264)
Commitment fees paid	(6,427,590)	(5,325,399)
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	—	(378,598)
Shares issue expenses	—	(12,897)
NET CASH FROM FINANCING ACTIVITIES	<u>1,171,980,768</u>	<u>640,064,340</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(1,201,539,427)</u>	<u>2,052,134,340</u>
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	<u>2,197,669,970</u>	<u>136,617,573</u>
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	<u>(1,388,851)</u>	<u>8,918,057</u>
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>994,741,692</u>	<u>2,197,669,970</u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Time deposits, bank balances and cash	1,085,940,842	2,208,238,617
Bank overdrafts	(91,199,150)	(10,568,647)
	<u>994,741,692</u>	<u>2,197,669,970</u>