

Consolidated Cash Flow Statement

Year ended 31st July, 2003

	Notes	2003 HK\$'000	2002 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		62,922	(89,471)
Adjustments for:			
Finance costs	8	38,728	57,960
Share of losses of associates		—	43,742
Impairment loss in amounts due from associates		10,249	18,916
Impairment loss in interests in jointly-controlled entities		—	45,057
Gain on disposal of partial interest in a subsidiary		(27,095)	—
Interest income	6	(21,732)	(37,709)
Depreciation	7	4,025	3,092
Loss on disposal of fixed assets	7	—	9
Loss on disposal of a jointly-controlled entity		3,772	—
Write-back of provision for a deposit paid	7	(3,632)	—
Negative goodwill recognised as income	7	(732)	—
Operating profit before working capital changes		66,505	41,596
Decrease in completed properties for sale		4,019	41,575
Decrease/(increase) in debtors, deposits and prepayments		14,207	(558)
Increase in amounts due to jointly-controlled entities		—	(6)
Decrease in deposits received, short-term rental deposits received and creditors and accruals		(14,909)	(46,398)
Increase in long-term rental deposits received		1,931	3,432
Cash generated from operations		71,753	39,641
Profits taxes paid outside Hong Kong		(1,179)	(1,424)
Net cash inflow from operating activities		70,574	38,217
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		773	790
Purchases of fixed assets	14	(6,424)	(944)
Proceeds from disposal of fixed assets		51	46
Additions to investment properties	15	(5,773)	(10,409)
Additions to properties under development	16	(187,564)	(54,689)
Acquisition of a subsidiary	32	(2,300)	—
Acquisition of additional interest in a subsidiary		(13,757)	—
Proceeds from disposal of partial interest in a subsidiary		111,000	—
Proceeds from disposal of a jointly-controlled entity		3,110	—
Repayment from associates		3,603	—
Decrease/(increase) in pledged deposits and bank balances		232	(9,383)
Net cash outflow from investing activities		(97,049)	(74,589)

Consolidated Cash Flow Statement

Year ended 31st July, 2003

	Notes	2003 HK\$'000	2002 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Gross proceeds from issue of shares	29	76,771	76,770
Share issue expenses	29	(3,413)	(3,142)
New bank loans		216,777	28,283
Repayment of bank loans		(62,570)	(39,014)
New loans from a substantial shareholder		35,284	71,283
Repayment of loans to a substantial shareholder		(106,000)	(37,682)
Advances from minority interests		—	675
Finance costs paid		(48,419)	(62,431)
		<u>108,430</u>	<u>34,742</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		81,955	(1,630)
Cash and cash equivalents at beginning of year		96,284	98,507
Effect of foreign exchange rate changes, net		(731)	(593)
		<u>177,508</u>	<u>96,284</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR			
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	24	129,481	75,383
Non-pledged time deposits with original maturity of less than three months when acquired	24	48,027	20,901
		<u>177,508</u>	<u>96,284</u>