

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30th June, 2004

	NOTE	2004 HK\$	2003 HK\$
<b>OPERATING ACTIVITIES</b>			
Profit from operations		1,223,910,334	602,992,668
Adjustments for:			
Unrealised holding (gain) loss on investments in trading securities		(79,455,206)	124,091,924
Impairment loss on investments in other securities		17,621,750	252,397,016
Profit on disposal of investments in other securities		(20,136)	—
Depreciation		14,613,195	16,678,842
Loss on disposal of property, plant and equipment		1,495,281	31,353
Loss on disposal of investment properties		4,152,457	17,927,321
		<hr/>	<hr/>
Operating cash flows before movements in working capital		1,182,317,675	1,014,119,124
Increase in properties under development		(1,805,847,613)	(5,588,708,013)
Decrease in stocks of unsold properties		2,085,668,447	2,296,446,175
Decrease in hotel inventories		89,712	901,456
Increase in accounts and other receivables		(53,407,435)	(308,699,374)
Increase (decrease) in accounts and other payables		1,620,106,169	(1,292,920,690)
Net change in current accounts with associates		(266,857,388)	808,250,384
		<hr/>	<hr/>
Cash generated from (used in) operations		2,762,069,567	(3,070,610,938)
Hong Kong Profits Tax paid		(257,362,920)	(19,572,693)
		<hr/>	<hr/>
<b>NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>		<b>2,504,706,647</b>	<b>(3,090,183,631)</b>
<b>INVESTING ACTIVITIES</b>			
Repayments from associates		1,495,128,801	148,785,153
Dividends received from associates		397,010,000	88,502,500
Interest received		82,629,643	97,671,957
Proceeds from disposal of investment properties		19,727,900	92,233,000
Proceeds from disposal of investments in other securities		11,543,695	—
Proceeds from disposal of property, plant and equipment		20,951	198,617
(Increase) decrease in restricted bank deposits		(231,539,583)	518,299,427
Purchase of investments in other securities		(129,047,194)	(174,072,608)
(Increase) decrease in long-term loans receivable		(102,708,344)	122,491,516
Acquisition of associates		(18,876,552)	—
(Advance to) repayment from investee companies		(7,328,955)	64,404,695
Purchase of property, plant and equipment		(6,946,929)	(8,516,334)
Purchase of investment properties		(3,375,364)	(16,797,214)
Additions of hotel property		(768,013)	(24,349,375)
Proceeds from disposal of an associate		—	31,201,966
Acquisition of a subsidiary (net of cash and cash equivalents acquired)	36	—	122,321
Acquisition of an unsecured loan from a former fellow subsidiary of a subsidiary		—	(92,765,410)
		<hr/>	<hr/>
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>1,505,470,056</b>	<b>847,410,211</b>

## CONSOLIDATED CASH FLOW STATEMENT *(Continued)*

For the year ended 30th June, 2004

	2004 <i>HK\$</i>	2003 <i>HK\$</i>
FINANCING ACTIVITIES		
Repayments of bank and other loans	<b>(3,096,586,335)</b>	(2,264,986,766)
(Repayments to) advances from minority shareholders	<b>(175,002,326)</b>	372,156,099
Interest paid	<b>(174,002,265)</b>	(406,078,322)
Dividends paid	<b>(78,290,533)</b>	(34,465,016)
(Repayments to) advances from associates	<b>(24,981,237)</b>	262,599,302
Commitment fees paid	<b>(19,615,465)</b>	(4,514,314)
Loan arrangement fees paid	<b>(4,312,966)</b>	(9,621,667)
Shares issue expenses paid	<b>(482,065)</b>	(260,100)
Dividends paid to minority shareholders	<b>(144,000)</b>	—
New bank and other loans	<b>1,244,520,109</b>	3,407,305,787
Capital contribution from a minority shareholder	—	30
Finance costs paid upon early repayment of loans	—	(107,999,777)
Repurchase of own shares	—	(90,262,382)
	<hr/>	<hr/>
NET CASH (USED IN) FROM FINANCING ACTIVITIES	<b>(2,328,897,083)</b>	1,123,872,874
	<hr/>	<hr/>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<b>1,681,279,620</b>	(1,118,900,546)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	<b>1,080,391,668</b>	2,202,065,294
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	<b>2,784,563</b>	(2,773,080)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<b>2,764,455,851</b>	1,080,391,668
	<hr/>	<hr/>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Time deposits, bank balances and cash	<b>2,769,019,851</b>	1,084,955,668
Bank overdrafts	<b>(4,564,000)</b>	(4,564,000)
	<hr/>	<hr/>
	<b>2,764,455,851</b>	1,080,391,668
	<hr/>	<hr/>