

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30th June, 2004

	NOTE	2004 HK\$	2003 HK\$
<b>OPERATING ACTIVITIES</b>			
Profit from operations		1,483,183,314	511,170,821
Adjustments for:			
Impairment loss on investments in other securities		17,621,750	252,397,016
Depreciation		14,673,117	16,775,597
Loss on disposal of investment properties		4,152,457	17,927,321
Loss on disposal of property, plant and equipment		1,495,281	31,352
Unrealised holding (gain) loss on investments in trading securities		(276,889,956)	281,778,373
Release of negative goodwill arising on acquisition of a listed subsidiary		(36,225,055)	(33,843,104)
Profit on disposal of investments in other securities		(20,136)	—
Operating cash flows before movements in working capital		1,207,990,772	1,046,237,376
Increase in properties under development		(1,805,847,613)	(5,588,708,013)
Decrease in stocks of unsold properties		2,083,710,701	2,296,094,826
Decrease in hotel inventories		89,712	901,456
(Increase) decrease in investments in securities		(5,189,739)	641,656
Increase in accounts and other receivables		(47,231,344)	(301,749,996)
Increase (decrease) in accounts and other payables		1,599,452,135	(1,264,306,962)
Net change in current accounts with associates		(266,857,388)	808,250,384
Cash generated from (used in) operations		2,766,117,236	(3,002,639,273)
Hong Kong Profits Tax paid		(257,450,699)	(19,572,693)
Taxation in other jurisdictions refunded (paid)		6,398,823	(2,321,936)
<b>NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>		<b>2,515,065,360</b>	<b>(3,024,533,902)</b>
<b>INVESTING ACTIVITIES</b>			
Repayments from associates		1,495,130,119	148,785,153
Dividends received from associates		397,010,000	88,502,500
Interest received		82,688,725	97,788,765
Proceeds from disposal of investment properties		19,727,900	92,233,000
Proceeds from disposal of investments in other securities		11,543,695	—
Repayments from investee companies		3,046,210	55,323,297
Proceeds from disposal of property, plant and equipment		20,951	198,618
Acquisition of additional interest in a listed subsidiary		(233,797,918)	(97,002,343)
(Increase) decrease in restricted bank deposits		(231,539,583)	518,299,427
Purchase of investments in other securities		(129,175,673)	(174,234,703)
(Increase) decrease in long-term loans receivable		(102,708,344)	122,491,516
Acquisition of associates		(18,876,552)	—
Purchase of property, plant and equipment		(6,946,929)	(8,521,429)
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)	37	—	122,321
Acquisition of an unsecured loan from a former fellow subsidiary of a subsidiary		—	(92,765,410)
Repurchase of its own shares by a listed subsidiary		—	(90,262,382)
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>1,281,979,224</b>	<b>651,013,707</b>

## CONSOLIDATED CASH FLOW STATEMENT *(Continued)*

For the year ended 30th June, 2004

	2004 HK\$	2003 HK\$
FINANCING ACTIVITIES		
Repayments of bank and other loans	(4,035,593,376)	(2,515,963,868)
Interest paid	(228,927,390)	(538,116,800)
(Repayments to) advances from minority shareholders	(175,002,326)	372,156,099
Dividends paid to minority shareholders	(78,434,533)	(34,465,016)
(Repayments to) advances from associates	(24,981,237)	262,599,302
Commitment fees paid	(22,510,296)	(6,427,590)
(Repayments to) advances from investee companies	(10,375,165)	9,081,398
Loan arrangement fees paid	(4,312,966)	(9,621,667)
Dividends paid	(1,712,776)	—
Shares issue expenses paid	(30,000)	—
New bank and other loans	2,419,227,444	3,740,738,657
Finance costs paid upon early repayment of loans	—	(107,999,777)
Capital contribution from a minority shareholder	—	30
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NET CASH (USED IN) FROM FINANCING ACTIVITIES	(2,162,652,621)	1,171,980,768
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NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,634,391,963	(1,201,539,427)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	994,741,692	2,197,669,970
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	6,453,097	(1,388,851)
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CASH AND CASH EQUIVALENTS CARRIED FORWARD	2,635,586,752	994,741,692
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ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Time deposits, bank balances and cash	2,769,490,984	1,085,940,842
Bank overdrafts	(133,904,232)	(91,199,150)
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	2,635,586,752	994,741,692
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