

Consolidated Cash Flow Statement

Year ended 31st July, 2003

	Notes	2003 HK\$'000	2002 HK\$'000
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before tax		(404,488)	(1,881,190)
Adjustment for:			
Finance costs	10	473,255	567,748
Share of profits and losses of associates		5,745	232,507
Amortisation of goodwill on acquisition of an associate		26,545	6,636
Impairment in value of goodwill of an associate		—	228,258
Impairment in value of associates		36,804	318,000
Loss on disposal of associates		73,265	538,662
Loss on deemed disposal of an associate		103,695	—
Loss on disposal of partial interest in an associate		16,628	—
(Gain)/loss on disposal of subsidiaries		(19,230)	296,361
Impairment of properties under development		—	44,267
Impairment of long term unlisted investments		7,772	62,400
Interest income	8	(36,448)	(99,167)
Dividend income from a long term unlisted investment	8	(100)	—
Gain on repurchase of bonds payable	8	(9,041)	—
Write back of contingent loss in respect of a guarantee given to a bank	8	—	(71,720)
Depreciation	8	30,119	30,604
(Gain)/loss on disposal of fixed assets	8	(5,886)	1,582
Loss on disposal of properties under development	8	217	—
Loss on disposal of long term unlisted investments	8	—	90
(Write back of)/provisions for contingent losses in respect of profit guarantees	8	(3,963)	6,498
Provision for doubtful debts	8	—	4,220
(Recovery of)/write off bad debts	8	(14,045)	3,075
Exchange gains arising on the translation of the principal amounts of the Exchangeable Bonds and Convertible Bonds		—	(65)
Operating profit before working capital changes		280,844	288,766
Increase in pension scheme assets		(665)	—
(Increase)/decrease in short term investments		(417)	2,396
Decrease in completed properties for sale		3,391	7,847
Decrease in inventories		2,362	2,411
Decrease in debtors and deposits		2,202	97,326
Decrease in creditors, deposits received and accruals		(2,043)	(88,724)
Cash generated from operations — page 43		285,674	310,022

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Year ended 31st July, 2003

	Notes	2003 HK\$'000	2002 HK\$'000
Cash generated from operations — page 42		285,674	310,022
Interest received		4,381	28,227
Interest paid on bank and other borrowings		(177,198)	(273,260)
Interest paid to GPEL (note 19)		(31,439)	(75,002)
Interest paid on bonds payable		(31,040)	(37,007)
Interest paid on convertible bonds payable		(54,378)	(38,617)
Hong Kong profits tax paid		(30,610)	(31,360)
Taxes refunded/(paid) outside Hong Kong		(6)	1,204
Net cash outflow from operating activities		<u>(34,616)</u>	<u>(115,793)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(35,781)	(16,975)
Additions to investment properties		(2,052)	(1,724)
Additions to properties under development		(876)	(7,306)
Acquisition of long term investments		—	(3,892)
Proceeds from disposal of fixed assets		8,143	2,413
Revenue generated from properties under development		—	235
Proceeds from disposal of properties under development		95,300	—
Acquisition of subsidiaries	35(b)	(548,073)	—
Disposal of subsidiaries	35(c)	4,120	431,309
Net sales proceeds from disposal of associates		196,190	58,463
Proceeds from disposal of long term investments		—	9,957
Dividends received from associates		2,224	—
Advances to associates		(35,744)	(73,993)
Repayment from/(advance to) investee companies		45,402	(8,248)
Dividends received from a long term unlisted investment		100	—
Increase in pledged bank balances and time deposits		(27,330)	(17,390)
Net cash inflow/(outflow) from investing activities		<u>(298,377)</u>	<u>372,849</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from new bank loans		795,626	207,082
Repayment of bank loans		(320,862)	(622,915)
Repayment of bonds payable		(41,134)	—
Repurchase of bonds payable		(99,614)	—
Repayment of convertible bonds payable		(58,500)	—
Bank charges and refinancing charges		(48,144)	(46,091)
Dividends paid to minority shareholders		(354)	(11,530)
Repayment to minority shareholders		(21,541)	(23,410)
Net cash inflow/(outflow) from financing activities		<u>205,477</u>	<u>(496,864)</u>

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Year ended 31st July, 2003

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NET DECREASE IN CASH AND CASH EQUIVALENTS		(127,516)	(239,808)
Cash and cash equivalents at beginning of year		238,384	477,805
Effect of foreign exchange rate changes, net		<u>59</u>	<u>387</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>110,927</u>	<u>238,384</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	23	74,865	64,051
Non-pledged time deposits with original maturity of less than three months when acquired	23	<u>36,062</u>	<u>174,333</u>
		<u>110,927</u>	<u>238,384</u>