

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30th June, 2005

	NOTES	2005 HK\$	2004 HK\$
<b>OPERATING ACTIVITIES</b>			
Profit from operations		<b>3,804,564,359</b>	1,223,910,334
Adjustments for:			
Depreciation		<b>18,978,937</b>	14,613,195
Loss on disposal of property, plant and equipment		<b>609,209</b>	1,495,281
Increase in fair value of investment properties		<b>(1,828,505,571)</b>	–
Unrealised holding gain on investments in trading securities		<b>(133,934,961)</b>	(79,455,206)
Profit on disposal of investments in other securities		<b>(108,548,998)</b>	–
(Profit) loss on disposal of investment properties		<b>(467,207)</b>	4,152,457
Impairment loss on investments in other securities		<b>–</b>	17,621,750
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Operating cash flows before movements in working capital		<b>1,752,695,768</b>	1,182,337,811
Increase in properties under development		<b>(3,666,129,043)</b>	(1,805,847,613)
Decrease in stocks of unsold properties		<b>565,954,407</b>	2,085,668,447
Decrease in hotel inventories		<b>26,206</b>	89,712
Decrease (increase) in accounts and other receivables		<b>161,102,768</b>	(53,407,435)
(Decrease) increase in accounts and other payables		<b>(3,635,426,110)</b>	1,620,106,169
Net change in current accounts with associates		<b>250,318,878</b>	(266,857,388)
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Net cash (used in) from operations		<b>(4,571,457,126)</b>	2,762,089,703
Hong Kong Profits Tax paid		<b>(107,979,624)</b>	(257,362,920)
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<b>NET CASH (USED IN) FROM OPERATING ACTIVITIES</b>		<b>(4,679,436,750)</b>	2,504,726,783
<b>INVESTING ACTIVITIES</b>			
Repayments from associates		<b>738,891,335</b>	1,495,128,801
Dividends received from associates		<b>540,990,000</b>	397,010,000
Proceeds from disposal of investments in other securities		<b>269,927,530</b>	11,543,695
Decrease (increase) in long-term loans receivable		<b>259,592,623</b>	(102,708,344)
Proceeds from disposal of a subsidiary (net of cash and cash equivalents disposed of)	36	<b>139,996,378</b>	–
Interest received		<b>69,668,496</b>	82,629,643
Decrease (increase) in restricted bank deposits		<b>54,161,168</b>	(231,539,583)
Proceeds from disposal of investment properties		<b>15,717,000</b>	19,727,900
Repayments from (advances to) investee companies		<b>1,494,657</b>	(7,328,955)
Proceeds from disposal of property, plant and equipment		<b>594,281</b>	20,951
Acquisition of additional interests in subsidiaries		<b>326,765</b>	–
Purchase of investments in other securities		<b>(286,786,193)</b>	(129,047,194)
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	37	<b>(133,087,186)</b>	–
Purchase of investment properties		<b>(102,085,419)</b>	(3,375,364)
Acquisition of associates		<b>(74,280,999)</b>	(18,876,552)
Purchase of property, plant and equipment		<b>(23,367,567)</b>	(6,946,929)
Additions of hotel property		<b>–</b>	(768,013)
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<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>1,471,752,869</b>	1,505,470,056

## CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the year ended 30th June, 2005

	2005 HK\$	2004 HK\$
FINANCING ACTIVITIES		
New bank and other loans	3,382,514,561	1,244,520,109
Issue of convertible bonds	2,500,000,000	–
Repayments of bank and other loans	(1,769,672,260)	(3,096,586,335)
Repurchase of own shares	(205,881,047)	–
Interest paid	(186,504,146)	(174,002,265)
Dividends paid to minority shareholders	(165,878,323)	(144,000)
Dividends paid	(158,463,198)	(78,290,533)
Repayments to minority shareholders	(80,587,433)	(175,002,326)
Repayments to associates	(64,159,778)	(24,981,237)
Convertible bonds issue costs paid	(49,163,280)	–
Loan arrangement fees paid	(19,250,000)	(4,312,966)
Commitment fees paid	(9,328,730)	(19,615,465)
Shares issue expenses paid	(60,000)	(482,065)
	<u>3,173,566,366</u>	<u>(2,328,897,083)</u>
NET CASH FROM (USED IN) FINANCING ACTIVITIES		
	(34,117,515)	1,681,299,756
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	2,764,455,851	1,080,391,668
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(6,939,602)	2,764,427
	<u>2,723,398,734</u>	<u>2,764,455,851</u>
CASH AND CASH EQUIVALENTS CARRIED FORWARD		
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Time deposits, bank balances and cash	2,727,962,734	2,769,019,851
Bank overdrafts	(4,564,000)	(4,564,000)
	<u>2,723,398,734</u>	<u>2,764,455,851</u>