

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30th June, 2005

	<i>NOTES</i>	2005 <i>HK\$</i>	2004 <i>HK\$</i> (as restated)
OPERATING ACTIVITIES			
Profit from operations		4,009,104,472	1,478,837,089
Adjustments for:			
Depreciation		19,072,265	14,673,117
Loss on disposal of property, plant and equipment		604,709	1,495,281
Increase in fair value of investment properties		(1,828,505,571)	–
Unrealised holding gain on investments in trading securities		(275,470,745)	(276,889,956)
Profit on disposal of investments in other securities		(108,548,998)	–
Release of negative goodwill arising on acquisition of a listed subsidiary		(33,209,084)	(31,878,830)
Discount on acquisition of additional interest in a listed subsidiary		(7,961,164)	–
(Profit) loss on disposal of investment properties		(467,207)	4,152,457
Impairment loss on investments in other securities		–	17,621,750
Operating cash flows before movements in working capital		1,774,618,677	1,208,010,908
Increase in properties under development		(3,666,129,043)	(1,805,847,613)
Decrease in stocks of unsold properties		565,167,037	2,083,710,701
Decrease in hotel inventories		26,206	89,712
Increase in investments in securities		(2,299,635)	(5,189,739)
Decrease (increase) in accounts and other receivables		167,274,157	(47,231,344)
(Decrease) increase in accounts and other payables		(3,633,669,345)	1,599,452,135
Net change in current accounts with associates		250,318,878	(266,857,388)
Cash (used in) generated from operations		(4,544,693,068)	2,766,137,372
Hong Kong Profits Tax paid		(107,979,623)	(257,450,699)
Taxation in other jurisdictions (paid) refunded		(6,543,058)	6,398,823
NET CASH (USED IN) FROM OPERATING ACTIVITIES		(4,659,215,749)	2,515,085,496
INVESTING ACTIVITIES			
Repayments from associates		738,891,335	1,495,130,119
Dividends received from associates		540,990,000	397,010,000
Proceeds from disposal of investments in other securities		269,927,530	11,543,695
Decrease (increase) in long-term loans receivable		259,592,623	(102,708,344)
Proceeds from disposal of a subsidiary (net of cash and cash equivalents disposal of)	37	139,996,378	–
Interest received		69,703,283	82,688,725
Decrease (increase) in restricted bank deposits		54,161,168	(231,539,583)
Proceeds from disposal of investment properties		15,717,000	19,727,900
Repayments from investee companies		1,494,657	3,046,210
Proceeds from disposal of property, plant and equipment		598,781	20,951
Acquisition of additional interest in a listed subsidiary		(525,782,396)	(233,797,918)
Purchase of investments in other securities		(286,999,016)	(129,175,673)
Repurchase of its own shares by a listed subsidiary		(205,881,047)	–
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	38	(133,087,186)	–
Purchase of investment properties		(102,085,419)	(3,375,364)
Acquisition of associates		(74,280,999)	(18,876,552)
Purchase of property, plant and equipment		(24,110,607)	(6,946,929)
Additions of hotel property		–	(768,013)
NET CASH FROM INVESTING ACTIVITIES		738,846,085	1,281,979,224

CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the year ended 30th June, 2005

	2005 HK\$	2004 HK\$ (as restated)
FINANCING ACTIVITIES		
New bank and other loans	4,689,100,074	2,419,227,444
Issue of convertible bonds	2,500,000,000	–
Repayments of bank and other loans	(2,363,677,769)	(4,035,593,376)
Dividends paid to minority shareholders	(324,341,521)	(78,434,533)
Interest paid	(260,122,986)	(228,927,390)
Repayments to minority shareholders	(80,587,433)	(175,002,326)
Repayments to associates	(64,159,778)	(24,981,237)
Issue costs of convertible bonds paid	(49,163,280)	–
Loan arrangement fees paid	(19,250,000)	(4,312,966)
Commitment fees paid	(11,807,357)	(22,510,296)
Dividends paid	(1,688,798)	(1,712,776)
Shares issue expenses paid	(60,000)	(30,000)
Repayments to investee companies	–	(10,375,165)
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NET CASH FROM (USED IN) FINANCING ACTIVITIES	4,014,241,152	(2,162,652,621)
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NET INCREASE IN CASH AND CASH EQUIVALENTS	93,871,488	1,634,412,099
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	2,635,586,752	994,741,692
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(4,941,319)	6,432,961
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CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>2,724,516,921</u>	<u>2,635,586,752</u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Time deposits, bank balances and cash	2,729,080,921	2,769,490,984
Bank overdrafts	(4,564,000)	(133,904,232)
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	<u>2,724,516,921</u>	<u>2,635,586,752</u>