

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30th June, 2005

	2005 HK\$'000	2004 restated HK\$'000
Operating activities		
Profit from ordinary activities before taxation	14,732,414	8,168,096
Adjustments for:		
Interest income	(160,686)	(141,776)
Profit on disposal of fixed assets	(7,720)	(73,398)
Profit on disposal of investments in securities	—	(61,911)
Provision on property projects	227,903	27,633
Provision on property projects written back	—	(788,490)
Bad debts written off	24,737	109,861
Premium on redemption of guaranteed convertible notes	(444,904)	—
Surplus on revaluation of investments in securities	(25,072)	(48,901)
Impairment loss/(reversal of impairment loss) in value of investment securities	10,865	(119)
Amortisation of goodwill	63,933	31,075
Loss on disposal of interest in subsidiaries	—	6,396
Impairment loss on positive goodwill	—	4,000
Impairment loss on other fixed assets	—	435
Increase in fair value of investment properties	(6,753,871)	(3,064,202)
Amortisation of deferred expense	78,955	19,845
Interest expense	112,869	86,503
Finance charges on obligations under finance leases	14	4
Amortisation and depreciation	125,575	112,789
Dividends from investments in securities	(35,402)	(50,880)
(Surplus)/deficit on winding up of an associate	(349)	57
Share of profits less losses of associates	(3,315,331)	(1,786,762)
Share of profits less losses of jointly controlled entities	(2,713,341)	(974,119)
Exchange difference	20	(16)
Operating profit before changes in working capital	1,920,609	1,576,120
(Increase)/decrease in leasehold land	(1,378,263)	52,820
(Increase)/decrease in properties held for/under development for sale	(30,622)	717,028
Decrease in completed properties for sale	119,841	620,892
Decrease in inventories	767	999
(Increase)/decrease in amounts due from customers for contract work	(37,317)	140,856
Increase in deposits for acquisition of properties	(603,653)	(564,405)
Increase in debtors, prepayments and deposits	(258,686)	(51,883)
Decrease in instalments receivable	89,637	389,134
Increase in long term receivable	(1,433)	—
(Increase)/decrease in cash held by stakeholders	(55,896)	69,102
Decrease in forward sales deposits received	—	(519,474)
Increase/(decrease) in rental and other deposits	26,865	(706)
Increase in creditors and accrued expenses	73,765	8,561
(Decrease)/increase in amounts due to customers for contract work	(26,088)	34,333
(Decrease)/increase in amount due to a fellow subsidiary	(3,704,311)	1,317,602
Decrease in land premium	(17)	—
Cash (used in)/generated from operations	(3,864,802)	3,790,979

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for the year ended 30th June, 2005

	Notes	2005 HK\$'000	2004 restated HK\$'000
Interest received		89,703	101,528
Hong Kong Profits Tax paid		(195,919)	(132,991)
Profits Tax paid outside Hong Kong		(48,108)	(54,593)
Refund of Hong Kong Profits Tax		346	8,047
Net cash (used in)/from operating activities		(4,018,780)	3,712,970
Investing activities			
Net cash paid from disposal of subsidiaries	(a)	—	(58)
Proceeds from disposal of fixed assets		76,277	27,867
Additions to fixed assets		(1,152,777)	(130,448)
Additional investments in associates		(23,668)	—
Repayment from associates		307,981	529,082
Repayment from/(advance to) jointly controlled entities		882,867	(5,209,751)
Purchase of investments in securities		(77,161)	—
Proceeds from redemption of held-to-maturity securities		40,794	164,522
Proceeds from disposal of investments in securities		—	639,266
Proceeds from disposal of subsidiaries		19	—
Acquisition of subsidiaries	(b)	(74,078)	(23,056)
Purchase of additional shares in a subsidiary		(50,904)	(55,791)
Interest received		71,609	47,730
Repayment of loans receivable		47,053	489,921
Dividends received from associates		946,967	898,046
Dividends received from jointly controlled entities		15,618	19,526
Dividends received from investments in securities		35,402	50,880
Net cash from/(used in) investing activities		1,045,999	(2,552,264)
Financing activities			
Issue of shares to minority shareholders		—	6,340
Contributions from/(repayment to) minority shareholders		160,035	(180,727)
Dividends paid		(1,723,851)	(1,451,664)
Dividends paid to minority shareholders		(275,554)	(252,486)
Interest paid		(281,345)	(283,061)
Finance charges on obligations under finance leases paid		(14)	(4)
New bank loans		13,963,653	4,416,213
Repayment of capital element of obligations under finance leases		(71)	(47)
Repayment of other loans		(38,647)	—
Repayment of bank loans		(3,037,571)	(10,675,817)
Proceeds from issuance of new shares		—	2,954,475
Expenses paid in connection with the issue of new shares		—	(64)
Proceeds from issuance of guaranteed convertible notes		—	5,750,000
Redemption of guaranteed convertible notes		(5,116,396)	—
Expense paid in connection with the issue of guaranteed convertible notes		—	(100,625)
Net cash from financing activities		3,650,239	182,533
Increase in cash and cash equivalents		677,458	1,343,239
Cash and cash equivalents at 1st July		3,553,715	2,210,476
Cash and cash equivalents at 30th June	28	4,231,173	3,553,715

The notes on pages 94 to 147 form part of these accounts.

for the year ended 30th June, 2005

Notes to the Consolidated Cash Flow Statement

	2005 HK\$'000	2004 HK\$'000
(a) Disposal of subsidiaries		
Net assets disposed of:		
Fixed assets	—	4,704
Debtors, prepayments and deposits	—	2,232
Cash and cash equivalents	—	58
Creditors and accrued expenses	—	(6,974)
Minority interests	—	(1)
	<u>—</u>	<u>—</u>
Total consideration	<u>—</u>	<u>19</u>
Satisfied by:		
Other receivable	<u>—</u>	<u>19</u>
Net cash outflow arising on disposal:		
Cash and cash equivalents disposed of	<u>—</u>	<u>(58)</u>
(b) Acquisition of subsidiaries		
Net assets acquired:		
Fixed assets	10,446	—
Leasehold land	59,460	—
Properties held for/under development for sale	4,418	23,056
Debtors, prepayments and deposits	43	—
Rental and other deposits	(83)	—
Current taxation	(85)	—
Creditors and accrued expenses	(21)	—
	<u>74,178</u>	<u>23,056</u>
Total consideration	<u>74,178</u>	<u>23,056</u>
Satisfied by:		
Cash paid	74,078	23,056
Creditors and accrued expenses	100	—
	<u>74,178</u>	<u>23,056</u>
Net cash outflow of cash and cash equivalents in respect of the acquisition of subsidiaries:		
Cash consideration paid	<u>(74,078)</u>	<u>(23,056)</u>