

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30th June, 2006

	2005 HK\$'000 (restated)	2006 HK\$'000
OPERATING ACTIVITIES		
Profit before taxation	2,317,781	2,670,602
Adjustments for:		
Interest from		
Jointly controlled entities	(43,653)	(108,279)
Defeasance and other bank deposits, loans and receivables	(82,694)	(140,045)
Yield on held-to-maturity debt securities (after deducting amortisation of premium on acquisition)	(24,494)	(3,822)
Loss on disposal of held-to-maturity debt securities	751	–
Exchange losses on held-to-maturity debt securities, net	5,599	–
Depreciation of property, plant and equipment	26,154	26,509
Amortisation of prepaid land lease payments	3,227	3,227
Share-based payment expense	–	5,295
Gain arising from changes in fair value of investment properties	(281,166)	(405,529)
Gain on disposal of a power station project	(449,216)	(185,755)
(Gain) loss on disposal of other property, plant and equipment	(812)	80
Gain on disposal/deemed disposal of subsidiaries	–	(294,491)
Gain on disposal of available-for-sale investments	–	(28,889)
Reversal of impairment loss on an amount due from a former jointly controlled entity	–	(245,480)
Write back of warranty provisions	–	(80,000)
Gain on disposal of interests in jointly controlled entities and an associate	(502,117)	–
Finance costs	92,182	61,706
Share of profits of		
Jointly controlled entities	(989,870)	(1,014,775)
Associates	(3,220)	(16,564)
Operating cash flows before movements in working capital	68,452	243,790
Increase in inventories	(462)	(2,204)
Increase in properties for sale	(95,570)	(102,364)
Decrease (increase) in trade and other receivables, and deposits and prepayments	19,944	(39,330)
Increase in deposits received from sale of properties	–	41,589
Increase in trade and other payables, and rental and other deposits	40,235	40,090
Cash generated from operations	32,599	181,571
Tax paid		
Hong Kong Profits Tax	(91,258)	(5,482)
Taxation elsewhere	(6,482)	(9,278)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(65,141)	166,811

CONSOLIDATED CASH FLOW STATEMENT (continued)

For the year ended 30th June, 2006

	<i>Note</i>	<i>2005</i> <i>HK\$'000</i> <i>(restated)</i>	<i>2006</i> <i>HK\$'000</i>
INVESTING ACTIVITIES			
Interest received		297,684	165,483
Dividends received		857,378	902,622
Additions to investment properties		(255,960)	(53,255)
Additions to property, plant and equipment		(24,520)	(45,444)
Addition to prepaid land lease payments		(137,649)	(285,336)
Investments in associates		–	(12)
Advances from (repayments to) associates		6,934	(1,147)
Investments in jointly controlled entities		(31,536)	(4,000)
Loans to jointly controlled entities		(34,612)	(29,500)
Repayments from jointly controlled entities		649,049	293,911
Decrease in long-term receivables		92,079	51,066
Acquisition of available-for-sale investments		–	(199,497)
Proceeds from sale of available-for-sale investments		–	79,396
Acquisition of held-to-maturity debt securities		(301,120)	–
Proceeds on redemption and disposal of held-to-maturity debt securities		1,277,476	733,035
Increase in other investment project		–	(92,344)
Additions to properties for or under development		(8,569)	(24,948)
Net proceeds received on disposal of			
Power station project		672,464	89,785
Other property, plant and equipment		864	241
Investment properties		–	44,289
Interest in an associate		6,484	–
Interests in jointly controlled entities		518,376	–
Decrease in defeasance deposits		1,587,990	–
Acquisition of additional interests in a subsidiary		–	(992)
Disposal of subsidiaries	44	–	–
NET CASH FROM INVESTING ACTIVITIES		5,172,812	1,623,353

CONSOLIDATED CASH FLOW STATEMENT (continued)

For the year ended 30th June, 2006

	2005 HK\$'000 (restated)	2006 HK\$'000
FINANCING ACTIVITIES		
Interest paid	(88,061)	(5,636)
Loan arrangement fees and bank charges paid	(21,122)	(38,016)
Dividends paid to		
Shareholders	(646,120)	(664,901)
Minority shareholders of subsidiaries	(181,903)	(200,476)
Distributions to minority shareholders	(137,828)	(17,773)
Proceeds from exercise of warrants issued by a subsidiary	22,542	255,964
Capital contribution and advances from minority shareholders	11,710	8,531
Net proceeds from issue of shares by the Company	127,389	10,166
Repurchase of shares	(19,912)	–
New bank loans	55,000	1,152,000
Repayment of bank loans	(1,233,555)	(1,207,000)
Redemption of notes	(1,474,201)	–
NET CASH USED IN FINANCING ACTIVITIES	(3,586,061)	(707,141)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,521,610	1,083,023
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	1,029,933	2,551,430
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(113)	15,109
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, representing bank balances and cash	2,551,430	3,649,562