

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30th June, 2006

	2006 HK\$	2005 HK\$ (as restated)
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	<b>6,957,168,404</b>	6,045,987,893
Adjustments for:		
Finance costs	<b>665,128,020</b>	249,790,021
Depreciation	<b>27,197,844</b>	27,649,191
Amortisation of prepaid lease payments	<b>4,370,279</b>	4,259,126
Loss on disposal of property, plant and equipment	<b>236,226</b>	604,709
Share of results of associates	<b>(1,270,087,789)</b>	(2,146,808,328)
Increase in fair value of investment properties	<b>(1,198,027,120)</b>	(1,828,505,571)
Unrealised holding gain on investments in trading securities	–	(275,470,745)
Finance income	<b>(233,354,872)</b>	(69,703,283)
Profit on disposal of a subsidiary	–	(57,000,000)
Profit on disposal of investments in other securities	–	(108,548,998)
Release of negative goodwill arising on acquisition of a listed subsidiary	–	(31,366,680)
Discount on acquisition of additional interest in a listed subsidiary	–	(35,801,451)
Profit on disposal of investment properties	<b>(240,026)</b>	(467,207)
Gain arising from change in fair value of trading securities	<b>(150,612,601)</b>	–
Gain arising from change in fair value of non-current interest-free other unsecured loans	<b>(179,000,362)</b>	–
Loss on disposal of available-for-sale investments	<b>919,261</b>	–
Loss on deemed acquisition of partial interest in a listed subsidiary	<b>109,287,390</b>	–
Loss on deemed disposal of partial interest in a listed subsidiary	<b>432,311</b>	–
Operating cash flows before movements in working capital	<b>4,733,416,965</b>	1,774,618,677
Increase in properties under development	<b>(7,608,133,048)</b>	(3,666,129,043)
Decrease in stocks of unsold properties	<b>2,263,634,946</b>	565,167,037
(Increase) decrease in hotel inventories	<b>(1,254,286)</b>	26,206
Increase in trading securities	<b>(8,430,658)</b>	–
Increase in investments in securities	–	(2,299,635)
(Increase) decrease in accounts and other receivables	<b>(5,300,067,150)</b>	167,274,157
Increase (decrease) in accounts and other payables	<b>1,559,182,052</b>	(3,633,669,345)
Net change in current accounts with associates	<b>473,992,108</b>	250,318,878
Net cash used in operations	<b>(3,887,659,071)</b>	(4,544,693,068)
Hong Kong Profits Tax paid	<b>(154,601,143)</b>	(107,979,623)
Taxation in other jurisdictions paid	<b>(7,116,343)</b>	(6,543,058)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(4,049,376,557)</b>	(4,659,215,749)

## CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the year ended 30th June, 2006

	NOTES	2006 HK\$	2005 HK\$ (as restated)
<b>INVESTING ACTIVITIES</b>			
Repurchase of its own shares by a listed subsidiary		(1,330,323,360)	(205,881,047)
Purchase of available-for-sale investments		(1,282,634,256)	–
(Advances to) repayments from associates		(1,144,622,146)	738,891,335
Purchase of investment properties		(405,072,712)	(102,085,419)
Capital contribution to associates		(115,171,358)	(74,280,999)
(Increase) decrease in restricted bank deposits		(75,359,560)	54,161,168
Additions of hotel property		(20,770,775)	–
Purchase of property, plant and equipment		(17,271,356)	(24,110,607)
Dividends received from associates		384,400,000	540,990,000
Decrease in long-term loans receivable		248,879,302	259,592,623
Interest received		114,377,975	69,703,283
Proceeds from disposal of available-for-sale investments		9,502,080	–
Repayments from investee companies		2,554,853	1,494,657
Proceeds from disposal of investment properties		2,285,000	15,717,000
Proceeds from disposal of property, plant and equipment		541,663	598,781
Acquisition of additional interest in a listed subsidiary		–	(525,782,396)
Purchase of investments in other securities		–	(286,999,016)
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	44	–	(133,087,186)
Proceeds from disposal of investments in other securities		–	269,927,530
Proceeds from disposal of a subsidiary (net of cash and cash equivalents disposed of)	45	–	139,996,378
<b>NET CASH (USED IN) FROM INVESTING ACTIVITIES</b>		<b>(3,628,684,650)</b>	<b>738,846,085</b>
<b>FINANCING ACTIVITIES</b>			
New bank and other loans		12,227,723,135	4,689,100,074
Advance from (repayments to) associates		111,558,337	(64,159,778)
Repayments of bank and other loans		(3,514,676,922)	(2,363,677,769)
Interest paid		(662,644,994)	(291,180,343)
Repayments to minority shareholders		(136,974,512)	(80,587,433)
Dividends paid to minority shareholders		(130,592,816)	(324,341,521)
Dividends paid		(4,426,605)	(1,688,798)
Shares issue expenses paid		(60,000)	(60,000)
Issue of convertible bonds		–	2,500,000,000
Issue costs of convertible bonds paid		–	(49,163,280)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>7,889,905,623</b>	<b>4,014,241,152</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>211,844,416</b>	<b>93,871,488</b>
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>		<b>2,729,080,921</b>	<b>2,640,150,752</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>		<b>23,918,318</b>	<b>(4,941,319)</b>
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>		<b>2,964,843,655</b>	<b>2,729,080,921</b>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Time deposits, bank balances and cash		2,973,592,616	2,729,080,921
Bank overdrafts		(8,748,961)	–
		<b>2,964,843,655</b>	<b>2,729,080,921</b>