CONSOLIDATED CASH FLOW STATEMENT

For the Year ended 30 June 2006

CASH FLOWS FROM OPERATING ACTIVITIES		2006	2005
(Loss) profit for the year (39,770) 224,543 Adjustments for: 2.993 Depreciation of property, plant and equipment 4,681 2.993 Finance costs 40,154 64,083 Interest income (152) (47) Loss arising from issuance of option derivatives 9,850 - Gain arising on change in fair value of investment properties (54,656) - Gain arising on change in fair value of the properties (740) - Gain arising from change in fair value of option derivatives (740) - Gain arising from change in fair value of option derivatives (740) - Release of investment properties (5,900) - Release of investment property revaluation reserve upon sales of properties held for sale - (100,803) Reversal of impairment loss previously recognised in respect of leasehold properties - (52,450) Reversal of impairment loss previously recognised in respect of club debenture - (2,500) Impairment loss recognised in respect of investment securities - 2,978 Operating cash flows before movements in working capital		HK\$'000	HK\$'000
Adjustments for: Depreciation of property, plant and equipment Depreciation of property, plant and equipment Finance costs Interest income Loss arising from issuance of option derivatives Gain arising on change in fair value of investment properties transferred from properties held for sale to investment properties Gain arising from change in fair value of option derivatives Release of investment property revaluation reserve upon sales of properties held for sale Reversal of impairment loss previously recognised in respect of club debenture Impairment loss recognised in respect of related hence to investment properties Reversal of impairment loss previously recognised in respect of club debenture Deprecating cash flows before movements in working capital Decrease in properties under development Decrease (increase) in property sale receivables Decrease (increase) in receivable from stakeholder's account (1,504) Rever Cash FROM OPERATING ACTIVITIES Interest received CASH FLOWS FROM INVESTING ACTIVITIES Interest received Purchase of property, plant and equipment (1,504) (1,6961) 7,448	CASH FLOWS FROM OPERATING ACTIVITIES		
Adjustments for: Depreciation of property, plant and equipment Depreciation of property, plant and equipment Finance costs Interest income Loss arising from issuance of option derivatives Gain arising on change in fair value of investment properties transferred from properties held for sale to investment properties Gain arising from change in fair value of option derivatives Release of investment property revaluation reserve upon sales of properties held for sale Reversal of impairment loss previously recognised in respect of club debenture Impairment loss recognised in respect of investment loss recognised in respect of club debenture Operating cash flows before movements in working capital Decrease in properties under development Decrease (increase) in property sale receivables Decrease (increase) in receivable from stakeholder's account (Decrease) increase in other receivables, deposits and prepayments (Lip4) RECASH FROM OPERATING ACTIVITIES Interest received Aug. 152 Aug. 152 Aug. 25,002 CASH FLOWS FROM INVESTING ACTIVITIES Interest received Purchase of property, plant and equipment (16,961) 7,448		(39,770)	224,543
Depreciation of property, plant and equipment		· , , ,	,
Finance costs 40,154 64,083 Interest income (152) (47) Loss arising from issuance of option derivatives 9,850 - Gain arising on change in fair value of investment properties transferred from properties held for sale to investment properties (5,900) - Gain arising from change in fair value of option derivatives (740) - Release of investment property revaluation reserve upon sales of properties held for sale - (100,803) Reversal of impairment loss previously recognised in respect of club debenture - (52,450) Reversal of impairment loss previously recognised in respect of club debenture - (2,500) Impairment loss recognised in respect of investment securities - 2,978 Operating cash flows before movements in working capital (46,533) 138,797 Decrease in properties under development - 83,383 Decrease (increase) in property sale receivables 383,201 (383,201) Decrease (increase) in property sale receivables, deposits and prepayments (1,504) 18 (Decrease) increase in other payables and accrued charges (233,325) 207,928 NET CASH FROM OPER	•	4,681	2,993
Interest income (152) (47) Loss arising from issuance of option derivatives 9,850 — Gain arising on change in fair value of investment properties (54,656) — Gain arising on change in fair value of the properties transferred from properties held for sale to investment properties (5,900) — Gain arising from change in fair value of option derivatives (740) — Release of investment property revaluation reserve upon sales of properties held for sale — (100,803) Reversal of impairment loss previously recognised in respect of leasehold properties — (52,450) Reversal of impairment loss previously recognised in respect of club debenture — (2,500) Impairment loss recognised in respect of investment securities — 2,978 Operating cash flows before movements in working capital (46,533) 138,797 Decrease in properties under development — 83,383 Decrease (increase) in property sale receivables 383,201 (383,201) Decrease (increase) in receivable from stakeholder's account 21,923 (21,923) (Increase) decrease in other payables and accrued charges (233,325) 207,928 NET CASH FROM OPERATING ACTIVITIES Interest received 152 47 Purchase of property, plant and equipment (122) (35) (Increase) decrease in pledged bank deposits (16,961) 7,448		40,154	64,083
Gain arising on change in fair value of investment properties Gain arising on change in fair value of the properties transferred from properties held for sale to investment properties Gain arising from change in fair value of option derivatives Gain arising from change in fair value of option derivatives Release of investment property revaluation reserve upon sales of properties held for sale Reversal of impairment loss previously recognised in respect of leasehold properties Reversal of impairment loss previously recognised in respect of club debenture Club debenture - (2,500) Impairment loss recognised in respect of investment securities - 2,978 Operating cash flows before movements in working capital Operating cash flows before movements in wo	Interest income		
Gain arising on change in fair value of investment properties Gain arising on change in fair value of the properties transferred from properties held for sale to investment properties Gain arising from change in fair value of option derivatives Gain arising from change in fair value of option derivatives Release of investment property revaluation reserve upon sales of properties held for sale Reversal of impairment loss previously recognised in respect of leasehold properties Reversal of impairment loss previously recognised in respect of club debenture Club debenture Generated in respect of investment securities Coperating cash flows before movements in working capital Operating cash flows	Loss arising from issuance of option derivatives	9,850	_
Gain arising on change in fair value of the properties transferred from properties held for sale to investment properties (5,900) — Gain arising from change in fair value of option derivatives (740) — Release of investment property revaluation reserve upon sales of properties held for sale — (100,803) Reversal of impairment loss previously recognised in respect of leasehold properties — (52,450) Reversal of impairment loss previously recognised in respect of club debenture — (2,500) Impairment loss recognised in respect of investment securities — 2,978 Operating cash flows before movements in working capital (46,533) 138,797 Decrease in properties under development — 83,383 Decrease (increase) in property sale receivables 383,201 (383,201) Decrease (increase) in receivable from stakeholder's account 21,923 (21,923) (Increase) decrease in other receivables, deposits and prepayments (1,504) 18 (Decrease) increase in other payables and accrued charges (233,325) 207,928 NET CASH FROM OPERATING ACTIVITIES Interest received 152 47 Purchase of property, plant and equipment (122) (35) (Increase) decrease in pledged bank deposits (16,961) 7,448			_
transferred from properties held for sale to investment properties (5,900) — Gain arising from change in fair value of option derivatives (740) — Release of investment property revaluation reserve upon sales of properties held for sale — (100,803) Reversal of impairment loss previously recognised in respect of leasehold properties — (52,450) Reversal of impairment loss previously recognised in respect of club debenture — (2,500) Impairment loss recognised in respect of investment securities — 2,978 Operating cash flows before movements in working capital — 83,383 Decrease in properties under development — 83,383 Decrease (increase) in property sale receivables — 383,201 — (383,201) Decrease (increase) in receivable from stakeholder's account — 21,923 — (21,923) (Increase) decrease in other receivables, deposits and prepayments — (1,504) — 18 (Decrease) increase in other payables and accrued charges — (233,325) — 207,928 NET CASH FROM OPERATING ACTIVITIES Interest received — 152 — 47 Purchase of property, plant and equipment — (122) — (35) (Increase) decrease in pledged bank deposits — (16,961) — 7,448		, , ,	
investment properties (5,900) — Gain arising from change in fair value of option derivatives (740) — Release of investment property revaluation reserve upon sales of properties held for sale — (100,803) Reversal of impairment loss previously recognised in respect of leasehold properties — (52,450) Reversal of impairment loss previously recognised in respect of club debenture — (2,500) Impairment loss recognised in respect of investment securities — 2,978 Operating cash flows before movements in working capital — 83,383 Decrease in properties under development — 83,383 Decrease (increase) in property sale receivables — 383,201 — (383,201) Decrease (increase) in receivable from stakeholder's account — 21,923 — (21,923) (Increase) decrease in other receivables, deposits and prepayments — (1,504) — 18 (Decrease) increase in other payables and accrued charges — (233,325) — 207,928 NET CASH FROM OPERATING ACTIVITIES — 123,762 — 25,002 CASH FLOWS FROM INVESTING ACTIVITIES Interest received — 152 — 47 Purchase of property, plant and equipment — (122) — (35) (Increase) decrease in pledged bank deposits — (16,961) — 7,448			
Gain arising from change in fair value of option derivatives Release of investment property revaluation reserve upon sales of properties held for sale Reversal of impairment loss previously recognised in respect of leasehold properties Reversal of impairment loss previously recognised in respect of club debenture Club debenture Club debenture Club dependent in respect of investment securities Club dependent in respect of club d		(5,900)	_
Release of investment property revaluation reserve upon sales of properties held for sale Reversal of impairment loss previously recognised in respect of leasehold properties Reversal of impairment loss previously recognised in respect of club debenture Impairment loss recognised in respect of investment securities Operating cash flows before movements in working capital Operase (increase) in property sale receivables Operating cash flows before movements in working capital Operase (increase) in receivable from stakeholder's account Operating cash flows before movements in working capital Operase (increase) in receivable from stakeholder's account Operase (increase) in receivable from stakeholder's account Operase (increase) in receivable from stakeholder's account Operase (increase) in receivable and accrued charges Operating Activities Interest received Operating Activities Operating Activities Interest received Operating Activities Ope			_
sales of properties held for sale Reversal of impairment loss previously recognised in respect of leasehold properties Reversal of impairment loss previously recognised in respect of club debenture Clu		, ,	
Reversal of impairment loss previously recognised in respect of leasehold properties — (52,450) Reversal of impairment loss previously recognised in respect of club debenture — (2,500) Impairment loss recognised in respect of investment securities — 2,978 Operating cash flows before movements in working capital — 83,383 Decrease in properties under development — 83,383 Decrease (increase) in property sale receivables — 383,201 — (383,201) Decrease (increase) in receivable from stakeholder's account — 21,923 — (21,923) (Increase) decrease in other receivables, deposits and prepayments — (1,504) — 18 (Decrease) increase in other payables and accrued charges — (233,325) — 207,928 NET CASH FROM OPERATING ACTIVITIES Interest received — 152 — 47 Purchase of property, plant and equipment — (122) — (35) (Increase) decrease in pledged bank deposits — (16,961) — 7,448		_	(100,803)
leasehold properties Reversal of impairment loss previously recognised in respect of club debenture Club debent	* *		, , ,
Reversal of impairment loss previously recognised in respect of club debenture — (2,500) Impairment loss recognised in respect of investment securities — 2,978 Operating cash flows before movements in working capital — 83,383 Decrease in properties under development — 83,383 Decrease (increase) in property sale receivables — 383,201 — (383,201) Decrease (increase) in receivable from stakeholder's account — 21,923 — (21,923) (Increase) decrease in other receivables, deposits and prepayments — (1,504) — 18 (Decrease) increase in other payables and accrued charges — (233,325) — 207,928 NET CASH FROM OPERATING ACTIVITIES — 123,762 — 25,002 CASH FLOWS FROM INVESTING ACTIVITIES Interest received — 152 — 47 Purchase of property, plant and equipment — (122) — (35) (Increase) decrease in pledged bank deposits — 7,448		_	(52,450)
club debenture — (2,500) Impairment loss recognised in respect of investment securities — 2,978 Operating cash flows before movements in working capital (46,533) 138,797 Decrease in properties under development — 83,383 Decrease (increase) in property sale receivables 383,201 (383,201) Decrease (increase) in receivable from stakeholder's account 21,923 (21,923) (Increase) decrease in other receivables, deposits and prepayments (1,504) 18 (Decrease) increase in other payables and accrued charges (233,325) 207,928 NET CASH FROM OPERATING ACTIVITIES 123,762 25,002 CASH FLOWS FROM INVESTING ACTIVITIES Interest received 152 47 Purchase of property, plant and equipment (122) (35) (Increase) decrease in pledged bank deposits (16,961) 7,448			
Impairment loss recognised in respect of investment securities - 2,978 Operating cash flows before movements in working capital Operating cash flows before movements in working capital Decrease in properties under development - 83,383 Decrease (increase) in property sale receivables 383,201 Operating cash flows before movements in working capital (383,383 Operating cash flows before movements in working capital (383,383 Operating cash flows before movements in working capital (383,201) Operating cash flows before movements in working capital (383,201) (383,201) Operating cash flows before movements in working capital (46,533) 138,797 83,383 Operating cash flows before movements in working capital (1,504) Increase) decrease in other receivables, deposits and prepayments (1,504) Interest cash flows payables and accrued charges (233,325) Operating cash flows before movements in working capital (1,504) Interest cash flows in property account cash flows account c		_	(2,500)
Operating cash flows before movements in working capital Decrease in properties under development Decrease (increase) in property sale receivables Decrease (increase) in receivable from stakeholder's account Decrease (increase) in receivable from stakeholder's account (Increase) decrease in other receivables, deposits and prepayments (Decrease) increase in other payables and accrued charges (Increase) increase in other payables and accrued charges (Increase) decrease in pledged bank deposits	Impairment loss recognised in respect of investment securities	_	
Decrease in properties under development – 83,383 Decrease (increase) in property sale receivables 383,201 (383,201) Decrease (increase) in receivable from stakeholder's account 21,923 (21,923) (Increase) decrease in other receivables, deposits and prepayments (1,504) 18 (Decrease) increase in other payables and accrued charges (233,325) 207,928 NET CASH FROM OPERATING ACTIVITIES 123,762 25,002 CASH FLOWS FROM INVESTING ACTIVITIES Interest received 152 47 Purchase of property, plant and equipment (122) (35) (Increase) decrease in pledged bank deposits (16,961) 7,448			
Decrease (increase) in property sale receivables Decrease (increase) in receivable from stakeholder's account Decrease (increase) in receivable from stakeholder's account (Increase) decrease in other receivables, deposits and prepayments (Decrease) increase in other payables and accrued charges (233,325) Decrease) increase in other payables and accrued charges (233,325) Decrease) increase in other payables and accrued charges (233,325) Decrease) increase in other payables and accrued charges (233,325) Decrease) increase in other payables and accrued charges (233,325) Decrease) increase in other payables and accrued charges (233,325) Decrease) increase in other payables and accrued charges (233,325) Decrease) increase in other payables and accrued charges (233,325) Decrease) increase in other payables and accrued charges (233,325) Decrease) increase in other payables and accrued charges (233,325) Decrease) increase in other payables and accrued charges (233,325) Decrease) increase in other payables and accrued charges (233,325) Decrease) increase in other payables and accrued charges (233,325) Decrease) increase in other payables and accrued charges (233,325) Decrease) increase in other payables and accrued charges (233,325) Decrease) increase in other payables and accrued charges (233,325) Decrease) increase in other payables and accrued charges (233,325) Decrease) increase in other payables and accrued charges Decrease in other payables and accrued charges (233,325) Decrease) increase in other payables and accrued charges (233,325) Decrease) increase in other payables and accrued charges (233,325) Decrease) increase in other payables and accrued charges (233,325) Decrease in	Operating cash flows before movements in working capital	(46,533)	138,797
Decrease (increase) in receivable from stakeholder's account (Increase) decrease in other receivables, deposits and prepayments (Decrease) increase in other payables and accrued charges (233,325) NET CASH FROM OPERATING ACTIVITIES 123,762 CASH FLOWS FROM INVESTING ACTIVITIES Interest received 152 Purchase of property, plant and equipment (122) (35) (Increase) decrease in pledged bank deposits (16,961) 7,448	Decrease in properties under development	_	83,383
(Increase) decrease in other receivables, deposits and prepayments (Decrease) increase in other payables and accrued charges (233,325) NET CASH FROM OPERATING ACTIVITIES 123,762 CASH FLOWS FROM INVESTING ACTIVITIES Interest received 152 Purchase of property, plant and equipment (122) (Increase) decrease in pledged bank deposits (1,504) 18 (233,325) 207,928	Decrease (increase) in property sale receivables	383,201	(383,201)
(Decrease) increase in other payables and accrued charges (233,325) 207,928 NET CASH FROM OPERATING ACTIVITIES 123,762 CASH FLOWS FROM INVESTING ACTIVITIES Interest received 152 47 Purchase of property, plant and equipment (122) (35) (Increase) decrease in pledged bank deposits (16,961) 7,448	Decrease (increase) in receivable from stakeholder's account	21,923	(21,923)
NET CASH FROM OPERATING ACTIVITIES CASH FLOWS FROM INVESTING ACTIVITIES Interest received Purchase of property, plant and equipment (Increase) decrease in pledged bank deposits 123,762 25,002 47 (Increase) (152 (Increase) (16,961) 7,448	(Increase) decrease in other receivables, deposits and prepayments	(1,504)	18
CASH FLOWS FROM INVESTING ACTIVITIES Interest received 152 47 Purchase of property, plant and equipment (122) (35) (Increase) decrease in pledged bank deposits (16,961) 7,448	(Decrease) increase in other payables and accrued charges	(233,325)	207,928
CASH FLOWS FROM INVESTING ACTIVITIES Interest received 152 47 Purchase of property, plant and equipment (122) (35) (Increase) decrease in pledged bank deposits (16,961) 7,448			
Interest received 152 47 Purchase of property, plant and equipment (122) (35) (Increase) decrease in pledged bank deposits (16,961) 7,448	NET CASH FROM OPERATING ACTIVITIES	123,762	25,002
Interest received 152 47 Purchase of property, plant and equipment (122) (35) (Increase) decrease in pledged bank deposits (16,961) 7,448			
Purchase of property, plant and equipment (122) (35) (Increase) decrease in pledged bank deposits (16,961) 7,448	CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease in pledged bank deposits (16,961) 7,448	Interest received	152	47
	Purchase of property, plant and equipment	(122)	(35)
NET CASH (USED IN) FROM INVESTING ACTIVITIES (16,931) 7,460	(Increase) decrease in pledged bank deposits	(16,961)	7,448
NET CASH (USED IN) FROM INVESTING ACTIVITIES (16,931) 7,460			
	NET CASH (USED IN) FROM INVESTING ACTIVITIES	(16,931)	7,460

CONSOLIDATED CASH FLOW STATEMENT (Cont'd)

For the Year ended 30 June 2006

	2006	2005
	HK\$'000	HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(11,053)	(33,614)
Other loans raised	18,080	99,609
Repayment of other loans	(251,269)	_
Bank borrowings raised	1,295,473	21,267
Repayment of bank borrowings	(1,114,426)	(131,618)
(Repayment to) advance from directors of subsidiaries	(33,554)	11,128
NET CASH USED IN FINANCING ACTIVITIES	(96,749)	(33,228)
NET INCREASE (DECREASE) IN CASH AND CASH		
EQUIVALENTS	10,082	(766)
CASH AND CASH EQUIVALENTS AT BEGINNING		
OF THE YEAR	234	1,000
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	10,316	234
ANALYSIS OF THE BALANCES OF CASH AND CASH		
EQUIVALENTS		
Bank balances and cash	10,316	234