

Consolidated Cash Flow Statement for the Year Ended 30th June, 2006

(Expressed in Hong Kong dollars)

	2006	2005
	\$000's	\$000's (restated)
OPERATING ACTIVITIES		
Operating profit	117,584	77,000
Adjustments for:		
– Depreciation	1,140	1,041
– Dividend income from other investments	(517)	(490)
– Interest income	(54,780)	(32,667)
– Recognition of deferred profits	(10,001)	–
– Net unrealised gain on other investments carried at fair value	(90)	(985)
– Loss on disposal of fixed assets	–	4
– Foreign exchange (gain)/loss	(2,363)	4,119
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL	50,973	48,022
Decrease in defined benefit asset	341	496
Decrease/(increase) in debtors, deposits and prepayments	22	(222)
Increase/(decrease) in creditors and accruals	10,888	(9,872)
Write back of provision for third party claims	–	(1,903)
Payment made for third party claims	(329)	(97)
CASH GENERATED FROM OPERATIONS	61,895	36,424
Tax paid		
– Hong Kong Profits Tax paid	(1,349)	(2,993)
– Overseas tax paid	(4,338)	(5,188)
NET CASH FROM OPERATING ACTIVITIES	56,208	28,243
INVESTING ACTIVITIES		
Purchase of fixed assets	(663)	(10,450)
Proceeds from sale of fixed assets	–	1
Expenditure on development project	(580,854)	–
Dividends from jointly controlled entities	93,400	28,800
Dividends from other investments	517	490
Interest received	53,614	31,549
Repayment of loans by jointly controlled entities	14,500	16,350
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(419,486)	66,740

Consolidated Cash Flow Statement for the Year Ended 30th June, 2006 (Continued)

(Expressed in Hong Kong dollars)

	2006	2005
	\$000's	\$000's (restated)
FINANCING ACTIVITIES		
Unclaimed dividends forfeited	-	454
Dividends paid	<u>(91,189)</u>	<u>(127,665)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>... (91,189)</u>	<u>... (127,211)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(454,467)	(32,228)
EFFECT OF FOREIGN EXCHANGE RATES	2,363	(4,119)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	1,701,052	1,737,399
CASH AND CASH EQUIVALENTS AT 30TH JUNE	<u>1,248,948</u>	<u>1,701,052</u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Deposits with banks	1,237,471	1,686,628
Cash at bank and in hand	<u>11,477</u>	<u>14,424</u>
	<u>1,248,948</u>	<u>1,701,052</u>