

Consolidated Cash Flow Statement

For the year ended 30 June 2006 (Expressed in Hong Kong dollars)

	2006	2005 (restated)
Operating activities		
Profit before taxation	\$ 34,433,755	\$ 73,693,877
<i>Adjustment for:</i>		
Valuation gains on investment properties	(47,778,422)	–
Revaluation loss on property held for own use	548,409	–
(Reversal of)/ charge for impairment losses on intangible assets	(180,000)	105,294
Depreciation	2,610,552	3,046,479
Amortisation of intangible assets	–	383,308
Interest expenses	18,330,647	1,859,201
Dividend income	(5,542,067)	(7,134,894)
Interest income	(19,283,290)	(9,647,002)
Share of profits of associates	(3,748,805)	(3,798,907)
Share of losses of a jointly controlled entity	–	72,000
Net loss/(gain) on disposal of investment properties and equipment	17,911	(4,080,000)
Equity settled share-based transactions	32,807	32,809
Charge for/(reversal of) impairment losses for bad and doubtful debts (net)	7,106,963	(2,529,341)
Effect of foreign exchange rate changes	(297,122)	21,932
Operating (loss)/profit before changes in working capital	\$ (13,748,662)	\$ 52,024,756
Increase in other financial assets	(2,224,298)	(1,905,314)
Decrease/(increase) in financial assets at fair value through profit or loss	112,227,919	(50,007,447)
Decrease/(increase) in accounts, loans and other receivables	316,978,348	(362,954,675)
Decrease/(increase) in amounts due from related companies	15,124	(14,696)
Decrease/(increase) in amount due from ultimate holding company	54,709	(54,709)
(Decrease)/increase in accruals, accounts and other payables	(300,750,995)	377,726,571
(Decrease)/increase in financial liabilities at fair value through profit or loss	(21,187,500)	21,187,500
(Decrease)/increase in amount due to a related company	(120,000)	120,000
Cash generated from operations	\$ 91,244,645	\$ 36,121,986
Interest received	19,335,231	9,560,773
Dividend received	6,932,792	5,694,227
Interest paid	(15,016,773)	(1,300,771)
Hong Kong Profits Tax paid	(4,678,954)	(233,616)
Net cash generated from operating activities	\$ 97,816,941	\$ 49,842,599

	2006	2005 (restated)
Investing activities		
Payment for purchase of other property and equipment	\$ (3,306,544)	\$ (14,361,586)
Payment for purchase of investment properties	(176,862,911)	–
Proceeds from sale of investment property and equipment	4,972	16,080,000
Dividend received from associates	1,500,000	–
Net cash (used in)/generated from investing activities	\$ (178,664,483)	\$ 1,718,414
Financing activities		
Capital contribution from minority shareholders	\$ –	\$ 147,000
Proceeds from new bank loans	113,000,000	60,075,176
(Repayment of)/proceeds from other loans	(80,700,000)	80,700,000
Repayment of bank loans	(55,372,134)	–
Increase in pledged bank deposits	(4,011,122)	(214,151)
Proceeds from shares issued under share option scheme	–	2,828,432
Dividends paid to equity shareholders of the Company	(32,482,239)	(32,476,209)
Net cash (used in)/generated from financing activities	\$ (59,565,495)	\$ 111,060,248
Net (decrease)/increase in cash and cash equivalents	\$ (140,413,037)	\$ 162,621,261
Cash and cash equivalents at 1 July 2005/2004	277,792,434	115,171,173
Cash and cash equivalents at 30 June 2006/2005	\$ 137,379,397	\$ 277,792,434
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	\$ 141,604,670	\$ 283,873,976
Less: pledged bank deposits	(4,225,273)	(214,151)
Less: bank overdrafts	–	(5,867,391)
	\$ 137,379,397	\$ 277,792,434

The notes on pages 50 to 110 form part of these financial statements.