

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30th June, 2006

	NOTES	2006 HK\$	2005 HK\$ (as restated)
OPERATING ACTIVITIES			
Profit before taxation		7,013,979,790	5,893,898,741
Adjustments for:			
Finance costs		434,299,262	171,306,390
Depreciation		27,005,816	27,555,863
Amortisation of prepaid lease payments		4,370,279	4,259,126
Loss on disposal of available-for-sale investments		919,261	–
Loss on disposal of property, plant and equipment		241,226	609,209
Share of results of associates		(1,270,087,789)	(2,146,808,328)
Increase in fair value of investment properties		(1,198,027,120)	(1,828,505,571)
Finance income		(233,295,916)	(69,668,496)
Unrealised holding gain on investments in trading securities		–	(133,934,961)
Gain arising from change in fair value of trading securities		(86,327,063)	–
Profit on disposal of investment properties		(240,026)	(467,207)
Profit on disposal of investments in other securities		–	(108,548,998)
Profit on disposal of a subsidiary		–	(57,000,000)
Operating cash flows before movements in working capital		4,692,837,720	1,752,695,768
Increase in properties under development		(7,608,133,048)	(3,666,129,043)
Decrease in stocks of unsold properties		2,267,935,812	565,954,407
(Increase) decrease in hotel inventories		(1,254,286)	26,206
(Increase) decrease in accounts and other receivables		(5,300,837,986)	161,102,768
Increase in trading securities		(1,134)	–
Increase (decrease) in accounts and other payables		1,612,291,743	(3,635,426,110)
Net change in current accounts with associates		473,992,108	250,318,878
Net cash used in operations		(3,863,169,071)	(4,571,457,126)
Hong Kong Profits Tax paid		(124,558,929)	(107,979,624)
NET CASH USED IN OPERATING ACTIVITIES		(3,987,728,000)	(4,679,436,750)
INVESTING ACTIVITIES			
Purchase of available-for-sale investments		(1,282,334,190)	–
(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		(16,983,527)	(23,367,567)
Dividends received from associates		384,400,000	540,990,000
Decrease in long-term loans receivable		248,879,302	259,592,623
Interest received		114,319,019	69,668,496
Proceeds from disposal of available-for-sale investments		9,443,082	–
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		536,663	594,281
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)	40	–	139,996,378
Acquisition of additional interests in subsidiaries		–	326,765
Purchase of investments in other securities		–	(286,786,193)
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	41	–	(133,087,186)
NET CASH (USED IN) FROM INVESTING ACTIVITIES		(2,297,896,349)	1,471,752,869

CONSOLIDATED CASH FLOW STATEMENT

(Continued)

For the year ended 30th June, 2006

	2006 HK\$	2005 HK\$ (as restated)
FINANCING ACTIVITIES		
New bank and other loans	11,968,033,058	3,382,514,561
Advances from (repayments to) associates	111,558,337	(64,159,778)
Repayments of bank and other loans	(3,361,174,844)	(1,769,672,260)
Repurchase of own shares	(1,330,323,360)	(205,881,047)
Interest paid	(596,924,441)	(215,082,876)
Repayments to minority shareholders	(136,974,512)	(80,587,433)
Dividends paid	(109,792,816)	(158,463,198)
Dividends paid to minority shareholders	(20,800,000)	(165,878,323)
Shares issue expenses paid	(90,000)	(60,000)
Issue of convertible bonds	–	2,500,000,000
Convertible bonds issue costs paid	–	(49,163,280)
	<hr/>	<hr/>
NET CASH FROM FINANCING ACTIVITIES	6,523,511,422	3,173,566,366
	<hr/>	<hr/>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	237,887,073	(34,117,515)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	2,727,962,734	2,769,019,851
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	6,865,083	(6,939,602)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS CARRIED FORWARD, representing time deposits, bank balances and cash	<u>2,972,714,890</u>	<u>2,727,962,734</u>