

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30th June, 2007

	2007 HK\$	2006 HK\$ (as restated)
OPERATING ACTIVITIES		
Profit before taxation	7,309,449,668	7,014,453,644
Adjustments for:		
Finance costs	495,816,991	434,299,262
Depreciation	25,706,664	27,005,816
Release of prepaid lease payments	4,602,365	4,370,279
(Profit) loss on disposal of available-for-sale investments	(30,762,867)	919,261
Loss on disposal of property, plant and equipment	11,592	241,226
Share of results of associates	(1,313,707,497)	(1,270,014,335)
Increase in fair value of investment properties	(2,415,946,051)	(1,198,027,120)
Finance income	(398,105,608)	(233,843,224)
Gain arising from change in fair value of trading securities	(210,721,458)	(86,327,063)
Loss (profit) on disposal of investment properties	911,315	(240,026)
Impairment loss reversed in respect of loan receivable	(436,467)	(7,414,158)
Operating cash flows before movements in working capital	3,466,818,647	4,685,423,562
Increase in properties under development	(4,930,155,279)	(7,608,133,048)
Decrease in stocks of unsold properties	2,694,577,808	2,267,935,812
Increase in hotel inventories	(572,621)	(1,254,286)
Increase in trading securities	(1,230)	(1,134)
Decrease (increase) in accounts and other receivables	2,225,156,668	(5,300,837,986)
(Decrease) increase in accounts and other payables	(48,252,607)	1,612,291,743
Net cash from (used in) operations	3,407,571,386	(4,344,575,337)
Hong Kong Profits Tax paid	(232,124,957)	(124,620,534)
Taxation in other jurisdiction (paid) refund	(18,793,905)	61,605
NET CASH FROM (USED IN) OPERATING ACTIVITIES	3,156,652,524	(4,469,134,266)
INVESTING ACTIVITIES		
Purchase of available-for-sale investments	(37,121,742)	(1,282,334,190)
Advances to associates	(1,306,576,767)	(627,410,427)
Purchase of investment properties	(199,629,001)	(405,072,712)
Capital contribution to associates	(34,049,709)	(115,171,358)
Increase in restricted bank deposits	(24,447,422)	(75,359,560)
Additions of hotel property	–	(20,770,775)
Purchase of property, plant and equipment	(20,107,294)	(16,983,527)
Dividends received from associates	1,014,195,242	384,400,000
Decrease in long-term loans receivable	109,514,048	256,293,460
Interest received	157,989,866	114,319,019
Proceeds from disposal of available-for-sale investments	82,381,940	9,443,082
Repayments from investee companies	3,875,301	2,554,853
Proceeds from disposal of investment properties	2,057,758	2,285,000
Proceeds from disposal of property, plant and equipment	571,687	536,663
NET CASH USED IN INVESTING ACTIVITIES	(251,346,093)	(1,773,270,472)

CONSOLIDATED CASH FLOW STATEMENT *(Continued)*

99

For the year ended 30th June, 2007

	2007 HK\$	2006 <i>HK\$</i> (as restated)
FINANCING ACTIVITIES		
New bank and other loans	3,377,102,000	11,968,033,058
Advances from associates	605,226,585	68,338,726
Repayments of bank and other loans	(4,756,092,360)	(3,361,174,844)
Repurchase of own shares	(733,975,785)	(1,330,323,360)
Interest paid	(830,456,458)	(596,924,441)
Repayments to minority shareholders	(20,884,868)	(136,974,512)
Dividends paid	(380,455,496)	(109,792,816)
Dividends paid to minority shareholders	(8,800,000)	(20,800,000)
Shares issue expenses paid	(627,698)	(90,000)
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NET CASH (USED IN) FROM FINANCING ACTIVITIES	(2,748,964,080)	6,480,291,811
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NET INCREASE IN CASH AND CASH EQUIVALENTS	156,342,351	237,887,073
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CASH AND CASH EQUIVALENTS BROUGHT FORWARD	2,972,714,890	2,727,962,734
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EFFECT OF FOREIGN EXCHANGE RATE CHANGES	3,268,292	6,865,083
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CASH AND CASH EQUIVALENTS CARRIED FORWARD, representing time deposits, bank balances and cash	<u>3,132,325,533</u>	<u>2,972,714,890</u>