

Consolidated Cash Flow Statement

Year ended 31st July, 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		(373,750)	229,363
Adjustments for:			
Finance costs	11	115,048	351,362
Loss arising from the Settlements, net		1,483,527	—
Provision for contingent liabilities to bondholders		136,525	—
Gain on cancellation of bond payables		(32,567)	—
Share of profits and losses of associates		(169,390)	(5,263)
Reversal of impairment of associates		(4,365)	(23,181)
Loss on deemed disposal of an associate		16,419	—
Reversal of impairment of property, plant and equipment	16	(176,396)	(95,803)
Gains on revaluation of investment properties		(599,549)	(258,779)
Reversal of impairment of available-for-sale debt investments		(209,478)	(33,772)
Release of goodwill upon disposal of an investment property		—	32,979
Loss/(gain) on disposal of subsidiaries	36(c)	7,752	(52,183)
Depreciation	10	63,898	85,219
Amortisation of prepaid land lease payments	10	1,010	1,055
Loss on disposal of property, plant and equipment	10	271	175
Loss on disposal of investment properties	10	—	20,000
Amortisation of goodwill	10	—	6,526
Impairment of goodwill	10	2,289	—
Provision for/(reversal of provision for) doubtful debts	10	(650)	1,984
Write off of bad debts	10	1,756	1,587
Unrealised loss on revaluation of financial assets at fair value through profit or loss, net	10	167	864
Interest income	9	(5,752)	(4,399)
Dividend income from available-for-sale unlisted equity investments	9	(671)	(277)
Operating profit before working capital changes		256,094	257,457
Decrease in pension scheme assets		—	18,298
Decrease/(increase) in completed properties for sale		(920)	3,816
Increase in inventories		(300)	(488)
Decrease/(increase) in debtors and deposits		17,257	(3,127)
Decrease in creditors, deposits received and accruals		(9,630)	(17,501)
Cash generated from operations - page 39		262,501	258,455

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Year ended 31st July, 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
Cash generated from operations - page 38		262,501	258,455
Interest received		5,752	4,399
Interest paid on bank and other borrowings		(109,586)	(146,992)
Repayment of premium on loan repayment		(5,000)	—
Hong Kong profits tax paid		(11,525)	(22,371)
Net cash inflow from operating activities		<u>142,142</u>	<u>93,491</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment	16	(10,878)	(22,898)
Additions to investment properties	18	(1,171)	(7,291)
Additions to properties under development	19	(38)	(24)
Proceeds from disposal of property, plant and equipment		2,005	432
Proceeds from disposal of investment properties		—	1,289,500
Proceeds from disposal of financial assets at fair value through profit or loss		40	—
Acquisition of subsidiaries	36(b)	—	(10,300)
Disposal of subsidiaries	36(c)	90,155	180,368
Proceeds from disposal of associates		—	35,000
Repayment from/(advances to) associates		68,500	(45,371)
Repayment from investee companies		29,575	110,600
Dividends received from available-for-sale investments		671	277
Decrease in pledged bank balances and time deposits		27,296	20,733
Net cash inflow from investing activities		<u>206,155</u>	<u>1,551,026</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other borrowings		1,207,400	660,000
Repayment of bank and other borrowings		(839,764)	(1,825,099)
Repayment of exchangeable bonds payable		(123,081)	—
Repayment of convertible bonds payable		(176,670)	—
Repayment to GPEL		(20,000)	—
Repayment of the A Bonds		(263,398)	—
Payment of contingent liabilities to bondholders		(14,725)	—
Bank charges and refinancing charges		(69,023)	(42,607)
Dividend paid to minority shareholders		(11,285)	—
Repayment to minority shareholders		(121,801)	(17,252)
Net cash outflow from financing activities		<u>(432,347)</u>	<u>(1,224,958)</u>

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Year ended 31st July, 2005

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NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(84,050)	419,559
Cash and cash equivalents at beginning of year		530,446	110,927
Effect of foreign exchange rate changes, net		55	(40)
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CASH AND CASH EQUIVALENTS AT END OF YEAR		446,451	530,446
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ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	26	111,110	104,867
Non-pledged time deposits with original maturity of less than three months when acquired	26	335,341	425,579
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		446,451	530,446
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