

# Consolidated Cash Flow Statement

Year ended 31st July, 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		440,644	17,245
Adjustments for:			
Interest income	8	(23,324)	(21,580)
Revaluation deficit/(surplus) on investment properties	18	(435,073)	189,121
Negative goodwill recognised as income	8	—	(233)
Depreciation	10	19,222	19,137
Amortisation of prepaid land lease payments	10	147	147
Provision for bad and doubtful debts	10	1,465	—
Loss on disposal of a subsidiary		—	290
Write-back of provision for a completed property for sale	10	—	(2,533)
Finance costs	9	42,470	31,758
Share of profit of an associate		(3,015)	(25,841)
Provision for amounts due from associates		35,953	2,539
Write-back of provision for impairment of interest in a jointly-controlled entity		—	(42,555)
Operating profit before working capital changes		78,489	167,495
Decrease in completed properties for sale		40,153	152,971
Increase in debtors, deposits and prepayments		(16,007)	(64,690)
Increase in creditors and accruals, deposits received and deferred income, and short-term rental deposits received		254,697	55,717
Increase in long-term rental deposits received		9,110	1,481
Cash generated from operations		366,442	312,974
Hong Kong profits tax paid		—	(900)
Profits taxes paid outside Hong Kong		(21,842)	(13,480)
Profits taxes refund outside Hong Kong		12,442	—
Net cash inflow from operating activities		357,042	298,594

# Consolidated Cash Flow Statement

Year ended 31st July, 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	8	1,302	647
Purchases of property, plant and equipment	16	(7,246)	(7,274)
Additions to investment properties	18	—	(2,746)
Additions to properties under development		(90,871)	(49,502)
Proceeds from disposal of property, plant and equipment	16	237	180
Proceeds from disposal of a subsidiary	34	—	2,010
Advances to associates		(21,587)	(2,375)
Decrease/(increase) in pledged time deposits and bank balances		1,892	(5,667)
		<u>(116,273)</u>	<u>(64,727)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Gross proceeds from issue of shares	30	—	133,029
Share issue expenses	30	—	(3,957)
New bank loans		249,377	164,954
Repayment of bank loans		(487,865)	(103,686)
New advances from a substantial shareholder		98,730	25,450
Repayment of advances to a substantial shareholder		(65,259)	(30,296)
Repayment to minority interests		(16,109)	—
Interest paid		(70,315)	(48,551)
		<u>(291,441)</u>	<u>136,943</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		(50,672)	370,810
Cash and cash equivalents at beginning of year		548,730	177,508
Net foreign exchange difference		(5,538)	412
		<u>492,520</u>	<u>548,730</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>			
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	25	459,223	478,134
Non-pledged time deposits with original maturity of less than three months when acquired	25	33,297	70,596
		<u>492,520</u>	<u>548,730</u>