

# CONSOLIDATED CASH FLOW STATEMENT

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For the year ended 31st March, 2006

	2006 <i>HK\$'000</i>	2005 <i>HK\$'000</i> (Restated)
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	<b>565,861</b>	273,540
Adjustments for:		
Share of results of associates and jointly-controlled entities	<b>(5,009)</b>	(13,357)
Interest income	<b>(3,857)</b>	(2,832)
Interest expenses	<b>82,214</b>	32,258
Depreciation and amortisation of property, plant and equipment	<b>39,277</b>	41,789
Amortisation of prepaid lease payments	<b>397</b>	392
Release of negative goodwill of subsidiaries	–	(59,507)
Gain on disposals of subsidiaries	<b>(44,818)</b>	(233,662)
Loss on disposal of associates	<b>256</b>	–
Write off of goodwill arising from acquisitions of subsidiaries	–	2,463
Negative goodwill arising from acquisition of additional interests in a subsidiary	<b>(9,626)</b>	–
Write off of debt from a jointly-controlled entity	–	3,873
Increase in fair value change of investment properties	<b>(244,159)</b>	–
Recognition of fair value changes of completed properties upon transfer to investment properties	<b>(207,259)</b>	–
(Gain) loss on disposal of property, plant and equipment	<b>(770)</b>	466
Unrealised loss on investments in securities	–	127
Fair value gain on financial assets at fair value through profit and loss	<b>(98)</b>	–
Operating cash flows before movements in working capital	<b>172,409</b>	45,550
Increase in properties under development	<b>(253,061)</b>	(457,357)
Decrease in inventories	<b>13,137</b>	3,050
Decrease (increase) in properties held for sale	<b>49,844</b>	(213,870)
Increase in amounts due from customers for contract work	<b>(2,914)</b>	(153)
(Increase) decrease in retention monies receivable	<b>(15,601)</b>	4,160
(Increase) decrease in debtors and prepayments	<b>(106,758)</b>	57,021
Increase in creditors and accrued charges	<b>71,524</b>	26,604
Increase (decrease) in amounts due to customers for contract work	<b>31,096</b>	(53,858)
Increase (decrease) in customers' deposits	<b>448</b>	(369)
(Decrease) increase in sales deposits received	<b>(181,970)</b>	241,968
Cash used in operations	<b>(221,846)</b>	(347,254)
Hong Kong Profits Tax paid	<b>(428)</b>	(1,980)
Overseas taxes paid	<b>(13,194)</b>	(2,232)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(235,468)</b>	(351,466)

## CONSOLIDATED CASH FLOW STATEMENT *(Continued)*

For the year ended 31st March, 2006

	<i>Notes</i>	<b>2006</b> <b>HK\$'000</b>	2005 <i>HK\$'000</i>
<b>INVESTING ACTIVITIES</b>			
Acquisitions of subsidiaries (net of cash and cash equivalents acquired)	46	<b>(221,495)</b>	–
Increase in loans to minority shareholders of subsidiaries		<b>(46,367)</b>	(39,747)
Purchase of property, plant and equipment		<b>(19,976)</b>	(21,204)
Acquisition of additional interest in subsidiaries		<b>(39,519)</b>	–
Purchase of investment properties		<b>(6,745)</b>	(3,212)
Advances to jointly-controlled entities		<b>(2,161)</b>	(5,414)
Capital injection to a jointly-controlled entity		<b>(97)</b>	–
Disposals of subsidiaries (net of cash and cash equivalents disposed of)	47	<b>171,744</b>	400,171
Repayment from associates		<b>8,952</b>	3,746
Capital repatriation of investments in securities		<b>1,152</b>	(942)
Interest received		<b>3,857</b>	2,832
Proceeds from disposal of property, plant and equipment		<b>1,512</b>	2,023
Purchase of investments		–	(50,563)
<b>NET CASH (USED IN) FROM INVESTING ACTIVITIES</b>		<b>(149,143)</b>	287,690
<b>FINANCING ACTIVITIES</b>			
Interest paid		<b>(101,515)</b>	(56,882)
Dividends paid to minority shareholders of a subsidiary		<b>(32,132)</b>	(10,128)
Dividend paid		<b>(16,541)</b>	(11,027)
Repayments of obligations under finance leases		<b>(2,976)</b>	(1,622)
New bank borrowings raised		<b>1,218,315</b>	860,114
Repayments of bank borrowings		<b>(677,532)</b>	(857,741)
Capital contributions from minority shareholders		<b>50,000</b>	131,080
Advances from minority shareholders of subsidiaries		<b>20,998</b>	6,499
Decrease in pledged bank balances		<b>12,652</b>	59,274
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>471,269</b>	119,567
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>86,658</b>	55,791
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>341,765</b>	287,913
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>		<b>(1,983)</b>	(1,939)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>426,440</b>	341,765
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Bank balances and cash		<b>463,207</b>	376,597
Bank overdrafts		<b>(36,767)</b>	(34,832)
		<b>426,440</b>	341,765