

Consolidated Cash Flow Statement

Year ended 31 March 2006

	Notes	2006 HK\$'000	2005 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		171,842	144,872
Adjustments for:			
Finance costs	7	15,574	19,716
Share of loss of an associate		–	433
Bank interest income	6	(312)	(180)
Depreciation	6	5,243	9,059
Amortisation of prepaid land lease payments	6	114	114
Amortisation of goodwill	6	–	1,875
Amortisation of goodwill on acquisition of an associate		–	162
(Gain)/loss on disposal of items of property, plant and equipment	6	(35)	666
Gain on disposal of investment properties	6	(19,436)	(53,903)
Reversal of business tax provision	6	(7,901)	(10,655)
Waiver of loan and interest payables	6	–	(13,685)
Gain on disposal of subsidiaries	6	(25,801)	(47,966)
Revaluation deficit on buildings	6	–	365
Change in fair value of investment properties	6	(1,681)	–
Fair value loss on derivative liability component of convertible bonds	6	26,643	–
Excess over the cost of acquisition of additional interest in a subsidiary	6	(17,323)	–
Provision for long service payments	6	190	57
Provision/(write-back of provision) for prepayment	6	(4,355)	14,000
Operating profit before working capital changes		142,762	64,930
Increase in properties under development		(976,100)	(256,145)
Decrease in properties held for development		–	22,140
Decrease in completed properties for sale		615,565	334,577
Decrease/(increase) in trade receivables		(35,437)	8,667
Decrease/(increase) in prepayments, deposits and other receivables		(119,671)	6,528
Increase/(decrease) in trade payables		42,788	(62,254)
Increase/(decrease) in other payables and accruals		45,990	(32,640)
Increase in deposits received and deferred revenue		293,523	82,601
Increase in long term payables		–	303
Cash generated from operations		9,420	168,707
Interest received		312	180
Interest paid		(120,688)	(77,968)
Overseas taxes paid		(65,529)	(27,836)
Net cash inflow/(outflow) from operating activities		(176,485)	63,083

Consolidated Cash Flow Statement (Continued)

Year ended 31 March 2006

	Notes	2006 HK\$'000	2005 HK\$'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	15	(3,100)	(10,894)
Proceeds from disposal of items of property, plant and equipment		722	208,645
Proceeds from disposal of investment properties		131,758	–
Disposal of an available-for-sale investment		18,680	–
Increase in net amounts due to jointly-controlled entities		–	7,970
Increase in pledged deposits		(10,754)	(59,076)
Prepayments paid for the acquisition of non-current assets		(224,383)	(24,995)
Acquisition of subsidiaries	36(b)	–	(126,589)
Acquisition of minority interests		(2,787)	–
Acquisition of a jointly-controlled entity		–	(278,252)
Disposal of subsidiaries	35	29,552	101,193
Disposal of interest in an associate		–	19,714
Net cash outflow from investing activities		(60,312)	(162,284)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(21,053)	–
New bank borrowings and other loans		1,313,435	608,789
Repayment of bank borrowings and other loans		(1,011,154)	(598,263)
Decrease in bank overdraft		(8,756)	(397)
Increase/(decrease) in an amount due to the controlling shareholder		17,238	(60,966)
Decrease in an amount due to a minority shareholder		–	6
Advance from/(repayment to) jointly-controlled entities		(645)	139,405
Net cash inflow from financing activities		289,065	88,574
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		52,268	(10,627)
Cash and cash equivalents at beginning of year		260,283	270,910
Effect of foreign exchange rate changes, net		(46,797)	–
CASH AND CASH EQUIVALENTS AT END OF YEAR		265,754	260,283
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		265,754	260,283