

Consolidated Cash Flow Statement

Year ended 31st July, 2006

	Notes	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		629,758	(373,750)
Adjustments for:			
Finance costs	8	156,943	115,048
Loss arising from the Bonds Settlement and the eSun Settlement, net		—	1,483,527
Provision for/(reversal of provision for) contingent liabilities to bondholders		(4,848)	136,525
Gain on cancellation of bond payables		(37,492)	(32,567)
Share of profits and losses of associates		(107,752)	(169,390)
Reversal of impairment of associates		—	(4,365)
Loss/(gain) on deemed disposal of interest in an associate		(94,653)	16,419
Fair value gain on investment properties	16	(315,091)	(599,549)
Impairment of/(reversal of impairment of) available-for-sale debt investments		2,969	(209,478)
Reversal of impairment of property, plant and equipment	14	—	(176,396)
Loss on disposal of subsidiaries	32(b)	—	7,752
Depreciation	7	63,894	63,898
Amortisation of prepaid land lease payments	7	985	1,010
Loss/(gain) on disposal of items of property, plant and equipment	7	(567)	271
Impairment of goodwill	7	2,289	2,289
Reversal of provision for doubtful debts	7	—	(650)
Write-off of bad debts	7	—	1,756
Fair value loss on financial assets at fair value through profit or loss, net	7	—	167
Interest income	6	(30,198)	(5,752)
Dividend income from unlisted available-for-sale equity investments	6	(711)	(671)
Operating profit before working capital changes		265,526	256,094
Increase in completed properties for sale		—	(920)
Increase in inventories		(259)	(300)
Decrease in debtors and deposits		19,832	17,257
Increase/(decrease) in creditors, deposits received and accruals		13,725	(9,630)
Cash generated from operations		298,824	262,501
Interest received		30,198	5,752
Interest paid on bank and other borrowings		(144,712)	(109,586)
Repayment of premium on loan repayment		—	(5,000)
Hong Kong profits tax paid		(3,933)	(11,525)
Overseas taxes paid		(1,160)	—
Net cash inflow from operating activities		179,217	142,142

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Year ended 31st July, 2006

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CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	14	(35,425)	(10,878)
Additions to investment properties	16	(909)	(1,171)
Additions to properties under development	17	(59,735)	(38)
Proceeds from disposal of items of property, plant and equipment		4,973	2,005
Proceeds from disposal of financial assets at fair value through profit or loss		17	40
Disposal of subsidiaries	32(b)	—	90,155
Repayment from associates		324,583	68,500
Repayment from investee companies		36,609	29,575
Dividends received from unlisted available-for-sale equity investments	6	711	671
Decrease/(increase) in pledged bank balances and time deposits		(25,291)	27,296
Net cash inflow from investing activities		<u>245,533</u>	<u>206,155</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other borrowings		—	1,207,400
Repayment of bank and other borrowings		(144,352)	(839,764)
Repayment of exchangeable bonds payable		—	(123,081)
Repayment of convertible bonds payable		—	(176,670)
Repayment to GPEL		(225,000)	(20,000)
Repayment of the A Bonds		—	(263,398)
Payment of contingent liabilities to bondholders		(64,592)	(14,725)
Bank charges and refinancing charges		(734)	(69,023)
Dividend paid to minority shareholders		—	(11,285)
Repayment to minority shareholders		(35,000)	(121,801)
Net cash outflow from financing activities		<u>(469,678)</u>	<u>(432,347)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		(44,928)	(84,050)
Cash and cash equivalents at beginning of year		446,451	530,446
Effect of foreign exchange rate changes, net		201	55
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>401,724</u>	<u>446,451</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	24	129,978	111,110
Non-pledged time deposits with original maturity of less than three months when acquired	24	271,746	335,341
		<u>401,724</u>	<u>446,451</u>