

Consolidated Cash Flow Statement

Year ended 31st July, 2006

	Notes	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		244,294	440,644
Adjustments for:			
Interest income	5	(8,054)	(23,324)
Gain on disposal of interests in subsidiaries	5	(14,926)	—
Fair value gain on investment properties		(58,828)	(435,073)
Depreciation	7	21,052	19,222
Loss on disposals of property, plant and equipment	7	1,979	—
Recognition of prepaid land lease payments	7	150	147
Provision for bad and doubtful debts	7	1,869	1,465
Finance costs	6	60,320	42,470
Share of profit of an associate		(3,907)	(3,015)
Provision/(write-back of provision) for amounts due from associates		(6,175)	35,953
Operating profit before working capital changes		237,774	78,489
Decrease/(increase) in completed properties for sale		(37,989)	40,153
Decrease/(increase) in debtors, deposits and prepayments		63,792	(16,007)
Increase in creditors and accruals, deposits received and deferred income, and short term rental deposits received		128,090	254,697
Increase/(decrease) in long term rental deposits received		(1,326)	9,110
Cash generated from operations		390,341	366,442
Mainland China taxes paid, net		(30,292)	(9,400)
Net cash inflow from operating activities		360,049	357,042
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		7,989	1,302
Purchases of items of property, plant and equipment		(60,184)	(7,246)
Proceeds from disposal of items of property, plant and equipment		35	237
Additions to properties under development		(245,974)	(90,871)
Purchase of available-for-sale investments		(14,920)	—
Acquisition of subsidiaries	33	833	—
Disposal of interests in subsidiaries	34	98,575	—
Advances of loans to associates		(23,932)	(21,587)
Decrease/(increase) in pledged time deposits		1,918	(1,918)
Decrease/(increase) in pledged bank balances		(194,415)	3,810
Net cash outflow from investing activities		(430,075)	(116,273)

Consolidated Cash Flow Statement

Year ended 31st July, 2006

	Notes	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Gross proceeds from issue of shares	30	644,000	—
Share issue expenses	30	(508)	—
New bank loans		93,259	249,377
Repayment of bank loans		(205,592)	(487,865)
New advances from a substantial shareholder		—	98,730
Repayment of advances to a substantial shareholder		—	(65,259)
Repayment to minority interests		—	(16,109)
Interest paid		(62,062)	(70,315)
Net cash inflow/(outflow) from financing activities		<u>469,097</u>	<u>(291,441)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		399,071	(50,672)
Cash and cash equivalents at beginning of year		492,520	548,730
Effect of foreign exchange rate changes, net		<u>7,534</u>	<u>(5,538)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>899,125</u>	<u>492,520</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	24	244,093	459,223
Non-pledged time deposits with original maturity of less than three months when acquired	24	<u>655,032</u>	<u>33,297</u>
		<u>899,125</u>	<u>492,520</u>