



CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st July, 2006

	2006 HK\$'000	2005 HK\$'000 (as restated)
OPERATING ACTIVITIES		
Profit before taxation	40,566	6,849
Adjustments for:		
Decrease in fair value of investment properties	19,768	—
Share-based payment expenses	5,961	—
Depreciation	639	87
Interest expense	568	808
Changes in fair value of derivative financial instruments	765	854
Amortisation of goodwill	—	226
Allowance for bad and doubtful debts	—	40
Changes in fair value of investments held for trading	(66,739)	—
Interest income	(5,650)	(993)
Surplus on revaluation of investment properties	—	(8,860)
Gain on disposal of investment properties	—	(1,383)
Unrealised holding gain on trading securities	—	(4,958)
Reversal of allowance for properties held for sale	—	(487)
Operating cash flows before movements in working capital	(4,122)	(7,817)
Decrease in properties held for sale	—	8,685
Increase in trade and other receivables	(3,819)	(3,395)
Increase in investments held for trading	(11,033)	—
Increase in trading securities	—	(10,704)
Increase in trade and other payables	2,368	3,174
Cash used in operations	(16,606)	(10,057)
Hong Kong Profits Tax paid	(194)	(132)
NET CASH USED IN OPERATING ACTIVITIES	(16,800)	(10,189)
INVESTING ACTIVITIES		
Purchase of available-for-sale investments	(116,250)	—
Advances to third parties	(55,000)	—
Purchase of property, plant and equipment	(1,054)	(382)
Increase in pledged bank deposit	(614)	—
Repayment of advances to third parties	55,000	—
Repayment of promissory note receivables	6,000	12,000
Interest received	5,586	993
Proceeds from disposal of investment properties	—	2,863
Purchase of other securities	—	(8,932)
Deposits paid for options	—	(739)
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(106,332)	5,803

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For the year ended 31st July, 2006

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FINANCING ACTIVITIES		
Proceeds from issue of shares	263,240	17,225
Proceeds from exercise of warrants	20,986	—
Proceeds from issue of warrants	13,247	—
Capital contribution from a minority shareholder	10	—
Expenses paid in connection with the issue of shares	(5,806)	(457)
Repayment of bank loans	(857)	(1,531)
Interest paid	(541)	(398)
Proceeds from issue of convertible notes	—	35,631
NET CASH FROM FINANCING ACTIVITIES	290,279	50,470
INCREASE IN CASH AND CASH EQUIVALENTS	167,147	46,084
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	70,087	24,003
CASH AND CASH EQUIVALENTS CARRIED FORWARD	237,234	70,087
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	237,318	70,571
Bank overdrafts	(84)	(484)
	237,234	70,087