

Consolidated Cash Flow Statement

For the year ended 31st March, 2006

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	2006 HK\$'000	2005 HK\$'000 (Restated)
Operating activities		
Profit before taxation	418,078	446,485
Adjustments for:		
Share of results of jointly controlled entities	(1,379)	792
Share of results of associates	(6,818)	(12,154)
Depreciation	20,987	11,670
Dividend from listed investments	(2,304)	(1,262)
Interest income	(133,634)	(75,630)
Interest expenses	57,795	41,020
Allowance for bad and doubtful debts	5,009	17,084
Allowance for amount due from an associate	–	16,000
Allowance for loans receivable	11,004	–
Increase in fair value of investment properties	(414,740)	(166,952)
Gain on disposal of an associate	–	(451)
Unrealised holding gain on trading securities	–	(560)
Increase in fair value of investments held for trading	(1,898)	–
Increase in fair value of financial assets through profit or loss	(2,067)	–
Increase in fair value of financial liabilities through profit or loss	113,160	–
Decrease in fair value of derivative financial instruments	19,665	–
Release of negative goodwill	–	(7,693)
Amortisation of goodwill arising on acquisition of associates	–	582
Amortisation of prepaid lease payments	5,223	2,009
Gain on disposal of property, plant and equipment	(225)	(37,182)
Gain on disposal of investment properties	–	(201,362)
Operating cash flows before movements in working capital	87,856	32,396
Decrease in completed properties for sale	16,164	28,944
Increase in properties under development for sale	(366,908)	(587,534)
(Increase) decrease in debtors, deposits and prepayments	(7,600)	153,982
Decrease (increase) in investments held for trading	15,214	(438,423)
(Increase) decrease in inventories	(687)	1,130
Increase in amounts due from associates	(397)	(4,334)
Increase in amount due from jointly controlled entities	(6,716)	(2,936)
(Decrease) increase in creditors and accruals	(21,267)	47,188
(Decrease) increase in customers' deposits received	(4,586)	2,909
Increase (decrease) in amounts due to related companies	25,219	(16,312)
Decrease in amounts due to associates	(1,306)	(8)
Increase in amount due to a minority shareholder	202	8,313
Effect on foreign exchange	–	(198)
Cash used in operations	(264,812)	(774,883)
Hong Kong Profits Tax paid	(2,530)	(919)
Tax paid for other jurisdictions	(32,366)	(29,825)
Tax refunded	–	4,284
Net cash used in operating activities	(299,708)	(801,343)

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	2006 HK\$'000	2005 HK\$'000 (Restated)
Investing activities		
Purchase of property, plant and equipment	(166,336)	(132,124)
Purchase of investment properties	–	(2,015)
Purchase of subsidiaries, net of cash and cash equivalents acquired	–	(239,844)
Investment in a jointly controlled entity	–	(1,500)
Proceeds from disposal of an associate	–	3,306
Proceeds from disposal of investment properties	10,689	481,599
Proceeds from disposal of property, plant and equipment	470	144,153
Purchase of investments in securities	–	(327,628)
Purchase of available-for-sale investments	(525,534)	–
Purchase of derivative financial instruments	(3,498)	–
Purchase of finance assets at fair value through profit or loss	(281,938)	–
Proceeds from disposal of financial assets at fair value through profit or loss	277,350	–
Proceeds from disposal of available-for-sale investments	542,540	–
Proceed from disposal of derivative financial instruments	42,065	–
Increase in prepaid lease payments	(81,000)	(3,785)
Advance of loans receivable	(65,197)	(61,123)
Advance to associates	(381)	(4,482)
(Increase) decrease in pledged bank deposits	(48,202)	1,583
Dividend received from associates	9,410	6,577
Dividend received from listed investments	2,304	1,262
Interest received	133,634	75,630
Net cash used in investing activities	(153,624)	(58,391)
Financing activities		
Proceeds from issue of convertible bonds, net of issue expenses	–	1,240,991
Proceeds from issue of shares, net of issue expenses	3,833	1,025
New bank and other borrowings raised	839,446	646,449
Repayments of bank and other borrowings	(534,770)	(603,654)
Repayments of obligations under finance leases	(268)	(580)
Advance from a jointly controlled entity	–	3,067
Advance from a director	643	225
(Advance to) repayment from a minority shareholder	(724)	14,755
Dividends paid	(58,860)	(36,961)
Interest paid	(72,728)	(59,788)
Net cash from financing activities	176,572	1,205,529
Net (decrease) increase in cash and cash equivalents	(276,760)	345,795
Cash and cash equivalents brought forward	464,870	119,426
Effect of foreign exchange rate changes	(42,814)	(351)
Cash and cash equivalents carried forward	145,296	464,870
Analysis of the balances of cash and cash equivalents		
Deposits with investment banks	31,000	106,143
Bank balances and cash	114,581	361,625
Bank overdrafts	(285)	(2,898)
	145,296	464,870