

Consolidated Cash Flow Statement

Year ended 31st July, 2004

	Notes	2004 HK\$'000	2003 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		183,573	(61,580)
Adjustments for:			
Amortisation of goodwill on acquisition of subsidiaries	7	17,980	17,980
Deficit/(surplus) on revaluation of investment properties	7	(12,362)	23,700
Depreciation	7	7,012	7,965
Dividend income from short term listed investments	7	(584)	(845)
Gain on deregistration of a subsidiary	7	(4,400)	—
Interest income	7	(611)	(701)
Impairment of properties under development	7	—	943
Loss on disposal of fixed assets	7	1,079	1,041
Gain on disposal of investment properties	7	(1,018)	—
Provision for doubtful debts	7	251	523
Provision/(write-back of provision) for slow-moving inventories	7	(13,063)	29,917
Provision for amount due from an associate	7	821	—
Unrealised gains of short term investments	7	(4,613)	(1,487)
Finance costs	8	12,336	13,099
Share of profits and losses of associates		(62,968)	68,531
Negative goodwill recognised		(24,865)	(11,329)
Loss on deemed disposal of an associate	7	5,614	—
Operating profit before working capital changes		104,182	87,757
Decrease/(increase) in amounts due from associates		(32)	234
Increase/(decrease) in amounts due to associates		163	(1,229)
Decrease in inventories		30,110	16,614
Decrease in trade receivables, deposits and other receivables		159,838	112,933
Decrease in trade and bills payables, long term deposits received, other payables and accruals		(137,072)	(156,969)
Cash generated from operations		157,189	59,340
Hong Kong profits tax paid		(17,923)	(317)
Overseas taxes paid		—	(941)
Net cash inflow from operating activities — page 36		139,266	58,082

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Net cash inflow from operating activities — page 35		<u>139,266</u>	<u>58,082</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from short term listed investments		584	845
Interest received		611	701
Proceeds from disposal of fixed assets		1,602	15
Proceeds from disposal of investment properties		1,300	—
Purchases of fixed assets		(5,614)	(6,864)
Addition to properties under development		(1,883)	—
Subscription of rights shares of an associate		<u>(53,014)</u>	<u>(35,343)</u>
Net cash outflow from investing activities		<u>(56,414)</u>	<u>(40,646)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in trust receipt loans		(1,309)	143
Interest paid on bank loans, overdrafts and other borrowings		(12,336)	(13,099)
Proceeds from new borrowings		38,803	—
Repayment of bank loans and other borrowings		(10,000)	(2,367)
Repayment of note payable		<u>(15,000)</u>	<u>—</u>
Net cash inflow/(outflow) from financing activities		<u>158</u>	<u>(15,323)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		97,245	95,173
Effect of foreign exchange rate changes, net		<u>52</u>	<u>(41)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>180,307</u>	<u>97,245</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	22	182,539	78,718
Non-pledged time deposits with original maturity of less than three months when acquired	22	—	20,857
Bank overdrafts	24	<u>(2,232)</u>	<u>(2,330)</u>
		<u>180,307</u>	<u>97,245</u>