

Year ended 31 March 2005

## Consolidated Cash Flow Statement

	Notes	2005 HK\$'000	2004 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>76,071</b>	33,708
Adjustments for:			
Finance costs	7	<b>4,326</b>	2,041
Share of profits and losses of associates		<b>15,000</b>	10,307
Amortisation of goodwill of associates		–	7,656
Net holding gain on investments	6	<b>(375)</b>	(570)
Interest income from investments	5	<b>(2,373)</b>	(2,386)
Interest income	5	<b>(2,916)</b>	(8,428)
Dividend income from listed securities	5	<b>(405)</b>	(128)
Loss/(gain) on disposal of subsidiaries	34(d)	<b>(26,975)</b>	1,020
Loss/(gain) on disposal of interests in an associate		<b>20,874</b>	(13,048)
Gain on disposal of investments, net	5	<b>(1,907)</b>	(109)
Gain on disposal of investment properties	5	<b>(7,335)</b>	–
Gain on disposal of convertible notes due from an associate	5	–	(17,883)
Excess of the Group's interest in the net fair value of the investees' identifiable assets, liabilities and contingent liabilities over cost recognised as income	5	<b>(35,024)</b>	–
Provision for and write-off of bad and doubtful debts	6	<b>656</b>	6,821
Provision for impairment of long term investments	6	<b>15,299</b>	1,641
Depreciation	6, 14	<b>12,109</b>	12,595
Amortisation of goodwill of subsidiaries	6	–	6,246
Loss on disposal/write-off of fixed assets	6	<b>29</b>	200
Surplus on revaluation of investment properties	6, 14	<b>(23,003)</b>	(7,066)
Recognition of deferred gain on disposal of subsidiaries	5	–	(688)
Operating profit before working capital changes		<b>44,051</b>	31,929
Decrease/(increase) in trade receivables, prepayments, deposits and other receivables		<b>682</b>	(11,721)
Decrease/(increase) in inventories		<b>3</b>	(887)
Increase/(decrease) in trade payables, other payables and accruals		<b>(5,557)</b>	2,202
Increase/(decrease) in deposits received and receipts in advance		<b>2,171</b>	(1,420)
Decrease in provisions for onerous contracts	6, 27	<b>(5,404)</b>	(6,566)
Cash generated from operations		<b>35,946</b>	13,537
Hong Kong profits tax paid		<b>(4,395)</b>	(909)
Net cash inflow from operating activities		<b>31,551</b>	12,628

**Consolidated Cash Flow Statement** (Cont'd)

Year ended 31 March 2005

	Notes	2005 HK\$'000	2004 HK\$'000
Net cash inflow from operating activities		<b>31,551</b>	12,628
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		<b>3,323</b>	8,295
Dividend income from listed securities		<b>405</b>	128
Interest income from investments		<b>2,373</b>	2,386
Decrease in amounts due from associates		<b>74</b>	208
Increase in amounts due to associates		<b>15</b>	19
Acquisition of subsidiaries	34(b)	<b>(943)</b>	–
Acquisitions of additional shares in a subsidiary	34(c)	<b>–</b>	(1,929)
Acquisitions of additional shares in an associate		<b>(85,872)</b>	–
Net inflow/(outflow) of cash and cash equivalents in respect of the disposal of subsidiaries	34(d)	<b>96,133</b>	(3,904)
Increase in other deposits		<b>(30,603)</b>	(30,630)
Purchases of investment properties		<b>(197,802)</b>	(95,807)
Purchases of other fixed assets		<b>(5,565)</b>	(11,678)
Purchases of properties under development		<b>(190,000)</b>	–
Proceeds from disposal of investment properties		<b>115,135</b>	1,925
Proceeds from disposal of fixed assets		<b>62</b>	217
Proceeds from disposal of short term investments		<b>17,343</b>	4,784
Proceeds from disposal of convertible notes		<b>–</b>	102,383
New loans to an associate		<b>–</b>	(9,000)
Settlement of loans to an associate		<b>7,000</b>	87,750
Settlement of convertible notes due from an associate		<b>56,500</b>	13,000
Purchases of long term investments		<b>(35,690)</b>	(21,784)
Purchases of short term investments		<b>(35,938)</b>	(38,189)
Increase in pledged deposits		<b>(7,723)</b>	–
Net cash inflow/(outflow) from investing activities		<b>(291,773)</b>	8,174
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		<b>(5,198)</b>	(2,041)
Dividends paid		<b>(14,332)</b>	(2,037)
Proceeds from issue of shares		<b>–</b>	25,960
Share issue expenses		<b>–</b>	(810)
Proceeds from issue of convertible notes		<b>98,620</b>	–
Convertible note issue expenses		<b>(3,143)</b>	–
Repayment of bank loans		<b>(75,322)</b>	(27,065)
New bank loans		<b>275,172</b>	60,475
Capital element of finance lease rental payments		<b>–</b>	(110)
Net cash inflow from financing activities		<b>275,797</b>	54,372

Year ended 31 March 2005

**Consolidated Cash Flow Statement** (Cont'd)

	Note	2005 HK\$'000	2004 HK\$'000
NET INCREASE IN CASH AND CASH EQUIVALENTS		<b>15,575</b>	75,174
Cash and cash equivalents at beginning of year		<b>289,365</b>	214,191
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>304,940</b>	289,365
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	23	<b>43,300</b>	25,931
Non-pledged time deposits with original maturity of less than three months when acquired	23	<b>261,640</b>	263,434
		<b>304,940</b>	289,365