

Consolidated Cash Flow Statement

Year ended 31st July, 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		395,320	115,280
Adjustments for:			
Amortisation of goodwill on acquisition of a subsidiary	9	—	17,980
Gain on revaluation of investment properties		(50,920)	(13,380)
Depreciation	9	10,772	7,012
Dividend income from financial assets at fair value through profit or loss	8	(1,100)	(584)
Gain on deregistration of a subsidiary	8	—	(4,400)
Interest income from bank deposits	8	(1,939)	(579)
Other interest income	8	(122)	(32)
Write-back of provision for impairment of properties under development		(50,715)	—
Loss/(gain) on disposal of property, plant and equipment	9	(65)	1,079
Gains on disposal of investment properties		(77,009)	—
Provision/(write-back of provision) for doubtful debts	9	(1,425)	251
Write-back of provision for slow-moving inventories	9	(4,633)	(13,063)
Provision for an amount due from an associate	9	—	821
Unrealised gains on revaluation of financial assets at fair value through profit or loss	8	(2,404)	(4,613)
Finance costs	10	16,220	12,336
Share of profits and losses of associates		20,855	491
Negative goodwill recognised		—	(20,562)
Loss/(gain) on deemed disposal of interests in associates		(217,817)	6,145
Operating profit before working capital changes		35,018	104,182
Increase in amounts due from associates		(87)	(32)
Increase/(decrease) in amounts due to associates		(185)	163
Decrease in inventories		11,612	30,110
Decrease in debtors, deposits and other receivables		68,068	159,838
Decrease in creditors, deposits received and accruals		(134,517)	(137,072)
Cash generated from/(used in) operations		(20,091)	157,189
Hong Kong profits tax paid		(18,418)	(17,923)
Net cash inflow/(outflow) from operating activities		(38,509)	139,266

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Year ended 31st July, 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from financial assets at fair value through profit or loss		1,100	584
Dividends received from an associate		8,280	—
Interest received		2,061	611
Proceeds from disposal of property, plant and equipment		232	1,602
Proceeds from disposal of investment properties		143,009	1,300
Purchases of property, plant and equipment		(21,325)	(5,614)
Additions to properties under development		(718)	(1,883)
Subscription of rights shares of an associate		—	(53,014)
Net cash inflow/(outflow) from investing activities		<u>132,639</u>	<u>(56,414)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	30	89,857	—
Share issue expenses	30	(3,436)	—
Increase/(decrease) in trust receipt loans		571	(1,309)
Interest paid on bank loans, overdrafts and other borrowings		(10,072)	(12,336)
New borrowings		70,000	38,803
Repayment of bank loans and other borrowings		(37,908)	(10,000)
Repayment of note payable		—	(15,000)
Net cash inflow from financing activities		<u>109,012</u>	<u>158</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		<u>203,142</u>	<u>83,010</u>
Cash and cash equivalents at beginning of year		180,307	97,245
Effect of foreign exchange rate changes, net		<u>483</u>	<u>52</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>383,932</u>	<u>180,307</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	25	69,309	182,539
Non-pledged time deposits with original maturity of less than three months when acquired	25	317,048	—
Bank overdrafts	27	(2,425)	(2,232)
		<u>383,932</u>	<u>180,307</u>