

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March, 2006

	2006 HK\$'000	2005 HK\$'000 (restated)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	53,030	43,605
Adjustments for:		
Share of loss of an associate	48	—
Interest expenses	2,782	396
Dividend income from listed equity securities	—	(1,358)
Dividend income from available-for-sale financial assets	(87)	—
Dividend income from financial assets at fair value through profit or loss	(2,739)	—
Interest income from investment in available-for-sale financial assets	(9,244)	—
Bank interest income	(1,168)	(891)
Interest income from investments in listed debt securities	—	(7,708)
Other interest income	(1)	(1)
Fair value gains on investment properties	(4,530)	(5,071)
Reversal of revaluation deficit on building for own use previously recognised in profit and loss account	(157)	(354)
Depreciation	606	1,869
Recognition of prepaid land lease payments	23	31
(Gain)/loss on disposal of property, plant and equipment	(124)	13
Net realised gain on available-for-sale financial assets	(6,256)	—
Net realised gain on other investments	—	(3,505)
Net realised gain on investment in financial assets at fair value through profit or loss	(7,125)	—
Unrealised gain on investments in financial assets at fair value through profit or loss	(11,453)	—
Unrealised gain on investments in listed equity securities	—	(8,098)
Net unrealised gain on derivative financial instruments	(162)	—
	<b>13,443</b>	<b>18,928</b>
(Increase)/decrease in inventories	(13,923)	32,105
(Increase)/decrease in prepayments, deposits and other receivables	(1,002)	1,955
Decrease in trade receivables	607	1,100
Purchases of trading investments in listed equity securities	—	(47,226)
Proceeds from disposal of trading investments in listed equity securities	—	22,555
Proceeds from disposal of financial assets at fair value through profit or loss	64,498	—
Purchase of financial assets at fair value through profit or loss	(68,836)	—
Purchases of investments in equity-linked notes	—	(19,663)
Increase/(decrease) in trade payables	2,467	(7,245)
Increase/(decrease) in other payables and accruals	14,624	(6,677)
Decrease in trust receipt loans	(273)	(10,094)
<b>Cash from/(used in) operations</b>	<b>11,605</b>	<b>(14,262)</b>
Interest paid	(2,782)	(396)
Hong Kong profits tax paid	(2,511)	(3,432)
<b>Net cash from/(used in) operating activities</b>	<b>6,312</b>	<b>(18,090)</b>

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For the year ended 31st March, 2006

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RISING DEVELOPMENT HOLDINGS LIMITED

	Note	2006 HK\$'000	2005 HK\$'000 (restated)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividend income from listed equity securities		–	1,358
Dividend income from available-for-sale financial assets		87	–
Dividend income from financial assets at fair value through profit or loss		2,739	–
Interest income from investment in available-for-sale financial assets		9,244	–
Bank interest income		1,168	891
Interest received from investments in listed debt securities		–	7,708
Other interest income		1	1
Purchases of property, plant and equipment		(64)	(669)
Proceeds from disposal of property, plant and equipment		124	103
Acquisition of unlisted equity securities		–	(7,800)
Purchases of investment properties		(2,090)	(5,419)
Purchases of investments in listed equity securities		–	(7,468)
Acquisition of available-for-sale financial assets		(148,553)	–
Acquisition of an associate		(78)	–
Proceeds from disposal of investments in listed equity securities		–	25,574
Proceeds from disposal of investments in listed debt securities		–	16,744
Proceeds from disposal of available-for-sale financial assets		68,879	–
<b>Net cash (used in)/from investing activities</b>		<b>(68,543)</b>	<b>31,023</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Exercise of share options		2,294	–
Dividend paid		(19,481)	(45,004)
Capital element of finance lease rental payments		(15)	(15)
Acquisition of other loans		–	6,195
Acquisition of short-term bank loans		249,278	97,849
Repayment of other loans		(6,195)	–
Repayment of short-term bank loans		(208,411)	(50,650)
<b>Net cash from financing activities</b>		<b>17,470</b>	<b>8,375</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(44,761)</b>	<b>21,308</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>69,255</b>	<b>47,947</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>24,494</b>	<b>69,255</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	27	24,537	69,255
Bank overdraft, unsecured		(43)	–
		<b>24,494</b>	<b>69,255</b>