

# Consolidated Cash Flow Statement

Year ended 31st July, 2006

	Notes	2006 HK\$'000	2005 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before tax:			
From continuing operations		134,209	384,263
Discontinued operation (including the loss on disposal of CGL)	13	(176,107)	11,057
Adjustments for:			
Fair value gain on investment properties	16	(175,899)	(50,920)
Depreciation	7	11,964	10,772
Dividend income from equity investments at fair value through profit or loss		(965)	(1,100)
Interest income from bank deposits		(5,555)	(1,939)
Other interest income		(13,011)	(122)
Write-back of provision for impairment of properties under development		—	(50,715)
Loss/(gain) on disposal of items of property, plant and equipment	7	14	(65)
Gain on disposal of investment properties		—	(77,009)
Impairment for loan and interest receivables		7,700	—
Write-back of provision for doubtful debts	7	—	(1,425)
Write-back of provision for slow-moving inventories	7	(3,695)	(4,633)
Unrealised gain on revaluation of equity investments at fair value through profit or loss	6	—	(2,404)
Gain on disposal of equity investments at fair value through profit or loss	6	(1,018)	—
Loss on disposal of CGL		179,284	—
Gain on disposal of other subsidiaries, net		(95,668)	—
Finance costs	8	23,888	16,220
Loss/(gain) on deemed disposal of interest in an associate	20	254,369	(217,817)
Excess over the cost of acquisition of additional interest in an associate	20	(147,013)	—
Share of profits and losses of associates		(11,723)	20,855
Operating profit/(loss) before working capital changes		(19,226)	35,018
Decrease/(increase) in amounts due from associates		150	(87)
Decrease in amounts due to associates		(24)	(185)
Decrease/(increase) in inventories		(7,392)	11,612
Decrease/(increase) in debtors, deposits and other receivables		(13,206)	68,068
Increase/(decrease) in creditors, deposits received and accruals		1,124	(134,517)
Cash used in operations		(38,574)	(20,091)
Hong Kong profits tax paid		(340)	(18,418)
Net cash outflow from operating activities		(38,914)	(38,509)

# Consolidated Cash Flow Statement

Year ended 31st July, 2006

	Notes	2006 HK\$'000	2005 HK\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Increase in loan receivable		(43,300)	—
Dividends received from equity investments at fair value through profit or loss		965	1,100
Dividends received from an associate		—	8,280
Interest received		11,130	2,061
Additions to investment properties		(274,264)	—
Proceeds from disposal of equity investments at fair value through profit or loss		27,672	—
Proceeds from disposal of subsidiaries	34(a)	81,098	—
Acquisition of additional interest in an associate		(14,804)	—
Proceeds from disposal of items of property, plant and equipment		17	232
Proceeds from disposal of investment properties		—	143,009
Purchases of items of property, plant and equipment		(11,645)	(21,325)
Additions to properties under development		(156,588)	(718)
Net cash inflow/(outflow) from investing activities		<u>(379,719)</u>	<u>132,639</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares	32	—	89,857
Share issue expenses	32	—	(3,436)
Increase/(decrease) in trust receipt loans		(6,684)	571
Interest paid on bank loans, overdrafts and other borrowings		(6,723)	(10,072)
New bank and other borrowings		171,829	70,000
Repayment of bank and other borrowings		(103,407)	(37,908)
Contribution from minority equity holders		10,917	—
Net cash inflow from financing activities		<u>65,932</u>	<u>109,012</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<u>(352,701)</u>	<u>203,142</u>
Cash and cash equivalents at beginning of year		383,932	180,307
Effect of foreign exchange rate changes, net		3,461	483
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>34,692</u>	<u>383,932</u>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	27	34,692	69,309
Non-pledged time deposits with original maturity of less than three months when acquired	27	—	317,048
Bank overdrafts	29	—	(2,425)
		<u>34,692</u>	<u>383,932</u>