

Consolidated Cash Flow Statement

For the year ended 31st July, 2003

	Notes	2003 HK\$'000	2002 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(24,626)	(1,162,612)
Adjustments for:			
Amortisation of goodwill on acquisition of subsidiaries	7	17,980	17,980
Deficit on revaluation of fixed assets	7	—	25,836
Deficit on revaluation of investment properties	7	23,700	1,700
Depreciation	7	7,965	15,868
Dividend income from short term listed investments	7	(845)	(778)
Gain on deregistration of subsidiaries	7	—	(1,610)
Interest income	7	(701)	(716)
Impairment of properties under development	7	943	11,414
Loss on disposal of fixed assets	7	1,041	1,985
Loss on disposal of properties held for sale	7	—	100
Provision for doubtful debts	7	523	2,068
Unrealised losses/(gains) of short term investments	7	(1,487)	133
Finance costs	8	13,099	6,814
Share of profits and losses of associates		32,809	922,849
Negative goodwill recognised		(12,561)	(3,723)
Provision for impairment in value of an associate		—	273,812
Operating profits before working capital changes		57,840	111,120
Decrease/(increase) in amounts due from associates		234	(241)
Decrease in amounts due to associates		(1,229)	(1,864)
Increase in short term investments		—	(483)
Decrease/(increase) in inventories		46,531	(12,028)
Decrease/(increase) in trade receivables, deposits and other receivables		112,933	(123,327)
Increase/(decrease) in trade and bills payables, deposits received, other payables and accruals		(156,969)	136,523
Cash generated from operations		59,340	109,700
Hong Kong profits tax paid		(317)	(19,111)
Overseas taxes paid		(941)	—
Net cash inflow from operating activities — page 36		58,082	90,589

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	Notes	2003 HK\$'000	2002 HK\$'000 (Restated)
Net cash inflow from operating activities — page 35		<u>58,082</u>	<u>90,589</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of an associate		—	(35,343)
Dividends received from short term listed investments		845	778
Interest received		701	716
Proceeds from disposal of fixed assets		15	1,218
Proceeds from disposal of properties held for sale		—	4,300
Purchases of fixed assets		(6,864)	(5,807)
Subscription of rights shares of an associate		<u>(35,343)</u>	<u>—</u>
Net cash outflow from investing activities		<u>(40,646)</u>	<u>(34,138)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in trust receipt loans		143	(14,378)
Interest paid on bank loans, overdrafts and other borrowings		(13,099)	(6,814)
Proceeds from new borrowings		—	50,455
Repayment of bank loans and other borrowings		(2,367)	(65,910)
Repayment of note payable		—	(15,200)
Advance from a shareholder		—	16,000
Repayment of an advance from a shareholder		<u>—</u>	<u>(16,000)</u>
Net cash outflow from financing activities		<u>(15,323)</u>	<u>(51,847)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,113	4,604
Cash and cash equivalents at beginning of year		95,173	90,569
Effect of foreign exchange rate changes, net		<u>(41)</u>	<u>—</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>97,245</u>	<u>95,173</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	22	78,718	86,156
Non-pledged time deposits with original maturity of less than three months when acquired	22	20,857	13,019
Bank overdrafts	24	<u>(2,330)</u>	<u>(4,002)</u>
		<u>97,245</u>	<u>95,173</u>