

Consolidated Cash Flow Statement

for the year ended 30 June 2004

	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from operating activities	23,189	44,290
Adjustments for:		
Interest income	(855)	(1,944)
Dividend income from listed and unlisted investments	–	(5,869)
Net unrealised loss/(gain) on short term investments	1,808	(2,822)
Net realised loss on disposal and written off of short term investments	514	336
Depreciation	7,055	6,595
Amortisation of goodwill	8,700	7,619
Loss on disposal of fixed assets	2	–
(Surplus)/deficit on revaluation of leasehold land and buildings, net	(1,125)	64
Deficit on revaluation of investment properties	–	199
Gain on disposal of a long term investment	–	(2,875)
	<hr/>	<hr/>
Operating profit before working capital changes	39,288	45,593
Decrease/(increase) in prepayments, deposits and other receivables	16,643	(14,471)
Decrease/(increase) in inventories	4,211	(3,477)
Decrease in trade receivables	1,849	736
(Decrease)/increase in trade payables	(2,994)	880
Increase in other payables and accruals	2,211	2,034
Decrease in trust receipt loans	–	(4)
	<hr/>	<hr/>
Cash generated from operations	61,208	31,291
Hong Kong profits tax paid	(2,893)	(600)
Overseas taxes paid	(338)	(4,258)
	<hr/>	<hr/>
Net cash inflow from operating activities	57,977	26,433

Consolidated Cash Flow Statement

for the year ended 30 June 2004

	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets and investment properties	(929)	(22,302)
Acquisition of additional equity interest in a subsidiary	(88,000)	–
Capital contribution for the establishment of jointly-controlled entities	(133)	(31,714)
Acquisition of a long term investment	–	(9,000)
Proceeds from disposal of a long term investment	–	2,375
Proceeds from disposal of short term investments	3,711	3,557
Proceeds from disposal of fixed assets	8	–
Increase in pledged bank deposits	(1,242)	(25,948)
Interest received	855	1,944
Dividend received from listed and unlisted investments	–	5,869
	<u>(85,730)</u>	<u>(75,219)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank loans	(278)	(264)
Capital element of finance lease rental payments	(181)	(168)
Proceeds from exercise of share options	–	3,122
Proceeds from exercise of warrants	35,957	–
Proceeds from issue of warrants	–	25,200
Warrants issue expenses	–	(657)
Repurchase of shares	–	(2,658)
Contribution from minority shareholders	–	20,593
Interest paid	(105)	(113)
Interest element on finance lease rental payment	(36)	(80)
Dividends paid	(4,725)	(9,488)
	<u>30,632</u>	<u>35,487</u>
Net cash inflow from financing activities		
	<u>30,632</u>	<u>35,487</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,879	(13,299)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	108,470	121,769
CASH AND CASH EQUIVALENTS AT END OF YEAR	111,349	108,470
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS AT END OF YEAR		
Bank and cash balances	111,677	109,059
Bank overdrafts, secured	(328)	(589)
	<u>111,349</u>	<u>108,470</u>