

# COMBINED STATEMENT OF CASH FLOWS

For the nine-month period ended 31 December 2004

	<i>Notes</i>	<b>Nine-month period ended 31 December 2004 HK\$'000</b>	Twelve-month period ended 31 March 2004 HK\$'000 (Restated-note 1)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		589,770	454,028
Adjustments for:			
Interest income	6	(23,020)	(15,386)
Interest expense	6	2,075	1,213
Depreciation	5	26,661	20,876
(Gain)/loss on disposal of property, plant and equipment	5	1,652	(437)
Fair value adjustment to investment properties	12	(562)	–
Amortisation of negative goodwill	5	–	92
Amortisation of exchange trading right	5	17	87
Share of losses of associates		–	1
Operating profit before working capital changes		596,593	460,474
Decrease/(increase) in Hong Kong listed investments, at fair value		1	(928)
(Increase)/decrease in margin deposits with brokers and financial institutions		64,323	(64,323)
Increase in inventories		(262,086)	(290,867)
Decrease in bills receivable		584	907
Increase in trade receivables		(4,646)	(7,489)
Increase in prepayments and other receivables		(94,361)	(48,640)
Increase in due from related parties		(206,518)	(126,169)
Increase in client trust bank balances		(1,072)	(10,861)
Increase in trade payables and bills payable		627,381	1,241,585
Increase in customers' deposits, other payables and accruals		14,685	142,795
Increase/(decrease) in due to related parties		(86,964)	87,044
Cash generated from operations		647,920	1,383,528
Interest paid		(2,075)	(32)
Hong Kong profits tax paid		–	(1,195)
Taxes paid in the PRC		(22,099)	(60,205)
Net cash inflow from operating activities		623,746	1,322,096

	<i>Notes</i>	<b>Nine-month period ended 31 December 2004 HK\$'000</b>	Twelve-month period ended 31 March 2004 HK\$'000 (Restated-note 1)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment		(50,837)	(78,590)
Increase in pledged deposits		(88,782)	(485,408)
Interest received		23,020	14,986
Proceeds from disposal of property, plant and equipment		–	4,075
Proceeds from disposal of other long term investments		124	–
Acquisition of subsidiaries, net of cash acquired	31(b)	(450)	(11,968)
<b>Net cash outflow from investing activities</b>		<b>(116,925)</b>	<b>(556,905)</b>
<b>Net cash inflow before financing activities</b>		<b>506,821</b>	<b>765,191</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		–	94,608
Share issue costs		(15,426)	–
Decrease/(increase) in due from related parties	19(i)	1,026,926	(1,052,134)
New bank loan		–	9,434
Repayment of bank loan		(9,434)	–
Contribution from the owner		–	311,032
Distribution to the owner		(280,989)	(100,317)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>721,077</b>	<b>(737,377)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>1,227,898</b>	<b>27,814</b>
Cash and cash equivalents at beginning of period		337,285	309,471
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<b>1,565,183</b>	<b>337,285</b>