

Consolidated Cash Flow Statement

For the year ended 31 March 2005

| | 2005 HK\$ | 2004 HK\$ |
|---|--------------------|--------------|
| Operating activities | | |
| Profit before taxation | 21,116,527 | 19,547,482 |
| Adjustments for: | | |
| Loss on disposal of property, plant and equipment | 1,758 | — |
| Gain on disposal of investment securities | (2,455,077) | (1,363,845) |
| Gain on disposal of other securities | (80,480) | — |
| Provision for diminution in value of investment securities written back | (7,052,809) | — |
| Net unrealised holding losses/(gains) on trading and other securities | 17,411 | (3,257,339) |
| Holding gains on trading securities realised | 1,581,483 | — |
| Provision for impairment loss on properties held for or under development written back | (4,130,136) | (7,852,000) |
| Interest income | (67,371) | (236,610) |
| Interest expense | 17,606 | — |
| Provision for long service payments | 68,200 | 88,000 |
| Depreciation | 119,759 | 122,535 |
| Operating profit before working capital changes | 9,136,871 | 7,048,223 |
| Decrease in trading securities | 4,248,986 | — |
| Decrease/(increase) in debtors, deposits and prepayments | 581,027 | (1,103,057) |
| Increase in creditors and accruals | 1,740,312 | 230,584 |
| Increase/(decrease) in deposits received | 334,500 | (76,693) |
| Increase/(decrease) in income received in advance | 43,278 | (16,227) |
| Cash generated from operations | 16,084,974 | 6,082,830 |
| Profits tax paid | (581,789) | (1,027,267) |
| Net cash from operating activities | 15,503,185 | 5,055,563 |



Consolidated Cash Flow Statement

For the year ended 31 March 2005

| | 2005 HK\$ | 2004 HK\$ |
|---|---------------------|---------------------|
| Investing activities | | |
| Purchase of property, plant and equipment | (50,944,175) | (8,750) |
| Increase in properties held for or under development | (12,363,440) | (2,091,035) |
| Purchase of investment and other securities | (3,147,639) | (15,230,665) |
| Proceeds from disposal of investment and other securities | 9,271,746 | 2,560,666 |
| Interest income | 67,371 | 236,610 |
| | <hr/> | <hr/> |
| Net cash used in investing activities | (57,116,137) | (14,533,174) |
| | <hr/> | <hr/> |
| Financing activities | | |
| New bank borrowings obtained | 28,000,000 | — |
| Dividends paid | (4,400,000) | (3,600,000) |
| Interest paid | (17,606) | — |
| | <hr/> | <hr/> |
| Net cash from/(used in) financing activities | 23,582,394 | (3,600,000) |
| | <hr/> | <hr/> |
| Net decrease in cash and cash equivalents | (18,030,558) | (13,077,611) |
| | <hr/> | <hr/> |
| Cash and cash equivalents at beginning of year | 25,950,461 | 39,028,072 |
| | <hr/> | <hr/> |
| Cash and cash equivalents at end of year, representing cash at banks | 7,919,903 | 25,950,461 |
| | <hr/> <hr/> | <hr/> <hr/> |



20

Winfair
Investment
Company
Limited