

38  CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 September 2005

(Expressed in Hong Kong dollars)

	2005		2004
	\$'000	\$'000	\$'000
Operating activities			
Profit before taxation	68,477		51,967
Adjustments for:			
– Depreciation	5,051		2,316
– (Gain)/loss on disposal of fixed assets	(446)		18
– Finance costs	3,192		2,623
– Exchange difference	(218)		–
Operating profit before changes in working capital	76,056		56,924
Increase in inventories	(16,200)		–
(Increase)/decrease in accounts receivable	(33,513)		5,682
Increase in reimbursements receivable	(97,112)		(24,644)
Increase in prepayments, deposits and other receivables	(2,139)		(3,872)
Decrease in amount due from a director	–		498
Decrease in net amounts due from related companies	–		2,213
Increase/(decrease) in accruals and other payables	3,155		(1,721)
	(145,809)		(21,844)
Cash (used in)/generated from operations	(69,753)		35,080
Tax paid	(948)		(1,491)
Net cash (used in)/from operating activities	(70,701)		33,589

CONSOLIDATED CASH FLOW STATEMENT

39

for the year ended 30 September 2005

(Expressed in Hong Kong dollars)

	2005		2004
	\$'000	\$'000	\$'000
Investing activities			
Payment for purchase of fixed assets	(4,052)		(7,701)
Proceeds from sale of fixed assets	4,080		–
Payment for purchase of licence rights	(9,400)		(9,630)
Payment of a deposit to secure the right to purchase a property	(4,970)		(3,000)
Net cash used in investing activities		(14,342)	(20,331)
Financing activities			
Increase in pledged deposits	(12,500)		(22,830)
Repayment of bank overdrafts	–		(25,443)
Proceeds from bank loans	30,063		15,013
Interests paid	(3,172)		(2,441)
Other borrowing costs paid	(20)		(182)
Proceeds from issuance of shares	128,100		128,000
Expenses paid in connection with the issuance of shares	(8,046)		–
Listing expenses	–		(30,727)
Dividends paid	(17,600)		–
Net cash from financing activities		116,825	61,390
Net increase in cash and cash equivalents		31,782	74,648
Cash and cash equivalents at the beginning of the year		85,282	10,634
Cash and cash equivalents at the end of the year		117,064	85,282

The notes on pages 40 to 73 form part of these financial statements.