

# CONSOLIDATED CASH FLOW STATEMENT

Year ended 30 June 2004

	Notes	2004 HK\$'000	2003 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>114,357</b>	106,219
Adjustments for:			
Depreciation	7	<b>6,886</b>	3,790
Provision for doubtful debts	7	<b>106</b>	–
Amortisation of intangible assets	7	<b>1,507</b>	874
Goodwill amortisation	7	<b>566</b>	–
Negative goodwill recognised as income	7	<b>(1,050)</b>	–
Loss on write off/disposal of fixed assets	7	<b>430</b>	28
Interest income	6	<b>(3,765)</b>	(928)
Finance costs	8	<b>5,692</b>	3,563
Share of loss of an associate		<b>32</b>	–
Amortisation of goodwill on acquisition of an associate	19	<b>100</b>	–
Operating profit before working capital changes		<b>124,861</b>	113,546
Increase in inventories		<b>(9,461)</b>	(4,089)
Increase in accounts receivable		<b>(82,753)</b>	(18,044)
Decrease/(increase) in prepayments, deposits and other receivables		<b>27,650</b>	(17,337)
Increase in accounts payable		<b>21,963</b>	2,774
Decrease in an amount due to a shareholder		<b>–</b>	(1,382)
Increase/(decrease) in accrued liabilities and other payables		<b>4,471</b>	(5,607)
Cash generated from operations		<b>86,731</b>	69,861
Interest received		<b>3,765</b>	928
Interest paid		<b>(5,681)</b>	(3,538)
Interest element on finance lease rental payments		<b>(11)</b>	(25)
Taxes paid		<b>(14,767)</b>	(26,168)
Net cash inflow from operating activities		<b>70,037</b>	41,058

# CONSOLIDATED CASH FLOW STATEMENT (Continued)

Year ended 30 June 2004

		2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
	<i>Notes</i>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed assets	14	(28,684)	(2,334)
Acquisition of intangible assets	15	(13)	(5,029)
Acquisition of subsidiaries	33(a)	14,095	(15,003)
Acquisition of additional equity interest in a subsidiary		–	(9,800)
Acquisition of interest in an associate		(1,000)	–
Decrease/(increase) in long term deposits		2,287	(9,303)
Increase deposits for potential investments	23	(14,210)	(32,710)
Increase in pledged time deposit		(20,049)	–
Net cash outflow from investing activities		(47,574)	(74,179)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares on public listing	30(e)	–	76,538
Proceeds from issue of shares	30(f)	39,042	–
Share issue expenses		(4,361)	(21,761)
Contribution from a minority equity holder of a subsidiary		–	752
New bank loans		77,550	45,979
Repayment of bank and other loans		(18,064)	(22,800)
Proceeds from issue of convertible bonds	28	62,361	–
Capital element of finance lease rental payments		(234)	(220)
Dividend paid		(12,411)	–
Net cash inflow from financing activities		143,883	78,488
NET INCREASE IN CASH AND CASH EQUIVALENTS		166,346	45,367
Cash and cash equivalents at beginning of year		105,019	59,652
CASH AND CASH EQUIVALENTS AT END OF YEAR		271,365	105,019
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	24	271,365	105,019