

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2005

	2005 HK\$'000	2004 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	<b>109,571</b>	74,842
Adjustments for:		
Gain on disposal of subsidiaries	–	(259)
Loss on deemed disposal of an associated company	–	36
Depreciation	<b>1,847</b>	1,679
Amortisation of intangible assets	<b>2,100</b>	2,100
Amortisation of goodwill	<b>2,508</b>	1,259
Interest income	<b>(516)</b>	(318)
Interest expenses	<b>2,400</b>	1,766
Fixed assets written off	–	331
Share of results of associated companies	<b>(18,068)</b>	(6,156)
Operating profit before working capital changes	<b>99,842</b>	75,280
Increase in trade and other receivables	<b>(35,265)</b>	(11,311)
Increase in inventories	<b>(22,190)</b>	(11,688)
Increase in amount due from an associated company	<b>(119)</b>	–
Increase in trade and other payables	<b>7,520</b>	9,194
Increase in import loans	<b>23,129</b>	6,060
Cash generated from operations	<b>72,917</b>	67,535
Interest paid	<b>(2,376)</b>	(1,742)
Interest element of finance lease	<b>(24)</b>	(24)
Income tax paid	<b>(23)</b>	(32)
Net cash generated from operating activities	<b>70,494</b>	65,737

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<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets	(1,327)	(1,205)
Cash paid to acquire associated companies	(86,139)	(100,831)
Increase in construction in progress	(40,917)	(23,525)
Interest received	516	318
Net cash used in investing activities	(127,867)	(125,243)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	49,548	55,750
Share issue expenses	–	(1,976)
Capital injection by a minority shareholder	35	–
Drawdown of bank loans	102,627	–
Repayment of bank loans	(6,000)	(3,000)
Repayment of capital element of finance lease	(160)	(168)
Dividends paid	(11,859)	(9,008)
Net cash generated from financing activities	134,191	41,598
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>76,818</b>	<b>(17,908)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>83,478</b>	<b>101,386</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>160,296</b>	<b>83,478</b>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Bank and cash balances	160,296	83,478