

CONSOLIDATED CASH FLOW STATEMENT

Year ended 30 June 2005

		2005 HK\$'000	2004 HK\$'000
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		126,603	114,357
Adjustments for:			
Depreciation	6	10,648	6,886
Provision for doubtful debts	6	–	106
Amortisation of intangible assets	6	1,939	1,507
Goodwill amortisation	6	2,385	566
Negative goodwill recognised as income	6	(1,050)	(1,050)
Loss on write-off/disposal of fixed assets	6	49	430
Provision for impairment of goodwill on acquisition of an associate		300	–
Provision against inventories		117	–
Interest income	5	(5,279)	(3,765)
Finance costs	7	7,947	5,692
Share of loss of an associate		368	32
Amortisation of goodwill on acquisition of an associate	18	100	100
Gain on divestment of a subsidiary	5	(407)	–
Operating profit before working capital changes		143,720	124,861
Decrease/(increase) in inventories		1,427	(9,461)
Increase in accounts receivable		(48,786)	(82,753)
Decrease/(increase) in prepayments, deposits and other receivables		(11,711)	27,650
Increase in accounts payable		17,599	21,963
Increase in accrued liabilities and other payables		16,812	4,471
Cash generated from operations		119,061	86,731
Interest received		5,279	3,765
Interest paid		(7,946)	(5,681)
Interest element on finance lease rental payments		(1)	(11)
Taxes paid		(24,622)	(14,767)
Net cash inflow from operating activities		91,771	70,037
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets	13	(37,125)	(28,684)
Proceeds from disposal of fixed assets		91	–
Acquisition of intangible assets	14	(3,271)	(13)
Acquisition of subsidiaries	33(a)	(34,751)	14,095
Divestment of a subsidiary	33(b)	(13,680)	–
Acquisition of interest in an associate		–	(1,000)
Decrease/(increase) in long term deposits		(3,738)	2,287
Increase in deposits for potential investments	23	–	(14,210)
Decrease/(increase) in pledged time deposit		20,049	(20,049)
Net cash outflow from investing activities		(72,425)	(47,574)

CONSOLIDATED CASH FLOW STATEMENT (continued)

Year ended 30 June 2005

	Notes	2005 HK\$'000	2004 HK\$'000
Net cash outflow from investing activities		(72,425)	(47,574)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	30(d), (e)	147,811	39,042
Share issue expenses		(5,388)	(4,361)
New bank loans		139,147	77,550
Repayment of bank and other loans		(85,074)	(18,064)
Proceeds from issue of convertible bonds	28	–	62,361
Capital element of finance lease rental payments		(40)	(234)
Dividends paid		(13,167)	(12,411)
Net cash inflow from financing activities		183,289	143,883
NET INCREASE IN CASH AND CASH EQUIVALENTS		202,635	166,346
Cash and cash equivalents at beginning of year		271,365	105,019
CASH AND CASH EQUIVALENTS AT END OF YEAR		474,000	271,365
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	24	474,000	271,365