

# CONSOLIDATED CASH FLOW STATEMENT

Year ended 30 June 2006

	Notes	2006 HK\$'000	2005 HK\$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>154,522</b>	125,957
Adjustments for:			
Depreciation	7	<b>8,859</b>	8,289
Amortisation of prepaid land lease payments	7	<b>2,261</b>	2,359
Amortisation of intangible assets	7	<b>4,050</b>	1,939
Goodwill amortisation	7	–	2,385
Negative Goodwill recognised as income	7	–	(1,050)
Loss on write-offs/disposals of items of property, plant and equipment	7	<b>159</b>	49
Deficit on revaluation of leasehold buildings	7	<b>114</b>	646
Impairment of accounts and bills receivables	7	<b>451</b>	–
Provision against inventories	7	–	117
Interest income	5	<b>(4,882)</b>	(5,279)
Finance costs	6	<b>11,300</b>	7,947
Share of loss of an associate		–	368
Amortisation of goodwill on acquisition of an associate		–	100
Impairment of goodwill on acquisition of an associate		–	300
Gain on divestment of a subsidiary	5	–	(407)
Operating profit before working capital changes		<b>176,834</b>	143,720
Decrease/(increase) in inventories		<b>(2,869)</b>	1,427
Increase in accounts and bills receivables		<b>(20,596)</b>	(48,786)
Increase in prepayments, deposits and other receivables		<b>(7,736)</b>	(11,711)
Increase in accounts and bills payables		<b>5,867</b>	17,599
Increase in accrued liabilities and other payables		<b>565</b>	16,812
Cash generated from operations		<b>152,065</b>	119,061
Interest received		<b>4,882</b>	5,279
Interest paid		<b>(11,300)</b>	(7,946)
Interest element on finance lease rental payments		–	(1)
Overseas taxes paid		<b>(27,515)</b>	(24,622)
Net cash inflow from operating activities		<b>118,132</b>	91,771

# CONSOLIDATED CASH FLOW STATEMENT (continued)

Year ended 30 June 2006

	Notes	2006 HK\$'000	2005 HK\$'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(3,853)	(37,125)
Proceeds from disposal of items of property, plant and equipment		–	91
Acquisition of intangible assets	15	(3,883)	(3,271)
Acquisition of subsidiaries	32(a)	–	(34,751)
Divestment of a subsidiary	32(b)	–	(13,680)
Increase in long term deposits		(15,891)	(3,738)
Decrease/(increase) in pledged deposits		(7,517)	20,049
Net cash outflow from investing activities		(31,144)	(72,425)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	29	5,760	147,811
Share issue expenses		–	(5,388)
New bank loans		18,447	139,147
Repayment of bank loans		(57,930)	(85,074)
Capital element of finance lease rental payments		–	(40)
Dividend paid		(17,415)	(13,167)
Net cash inflow/(outflow) from financing activities		(51,138)	183,289
NET INCREASE IN CASH AND CASH EQUIVALENTS		35,850	202,635
Cash and cash equivalents at beginning of year		474,000	271,365
Effect of foreign exchange rate changes, net		14,014	–
CASH AND CASH EQUIVALENTS AT END OF YEAR		523,864	474,000
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	24	523,864	474,000