

**CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31st March, 2007

	2007		2006	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Operating activities</b>				
Profit before taxation	225,978		239,111	
Adjustments for :-				
Depreciation	88,617		72,985	
Amortisation of intangible asset	25,468		—	
Interest income	(8,347)		(17,953)	
Interest expenses	3,968		1,499	
Share of profits less losses of associated companies	(13,631)		(8,522)	
(Gain)/loss on disposal of fixed assets	(8,538)		1,276	
	<u>313,515</u>		<u>288,396</u>	
<b>Operating profit before changes in working capital</b>				
Increase in stocks	(106,770)		(156,150)	
Decrease in bills receivable	177		975	
Increase in debtors, deposits and prepayments	(38,219)		(47,875)	
Increase/(decrease) in bills payable	27,591		(858)	
Increase in creditors and accruals	35,644		7,977	
(Increase)/decrease in amounts due from associated companies (net)	(2,911)		16,948	
Effect of foreign exchange rate changes	1,245		(4,260)	
	<u>230,272</u>		<u>105,153</u>	
<b>Cash generated from operations</b>				
Hong Kong profits tax paid (net)	(4,549)		(66)	
Overseas tax paid (net)	(41,376)		(30,085)	
	<u>184,347</u>		<u>75,002</u>	
<b>Net cash generated from operating activities</b>		<b>184,347</b>		<b>75,002</b>
<b>Investing activities</b>				
Payment for purchase of fixed assets	(184,895)		(177,354)	
Proceeds from sale of fixed assets	10,777		2,860	
Payment for purchase of subsidiary companies net of cash acquired (Note a)	(359,060)		—	
Interest received	8,347		17,953	
Dividends received from associated companies	8,341		6,737	
	<u>(516,490)</u>		<u>(149,804)</u>	
<b>Net cash used in investing activities</b>		<b>(516,490)</b>		<b>(149,804)</b>

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March, 2007



	2007	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Financing activities</b>		
Repayment of loan from a minority shareholder	—	(2,006)
Repayment of bank loans	<b>(8,912)</b>	(1,858)
New bank loans	<b>85,068</b>	11,924
Interest paid	<b>(3,968)</b>	(1,499)
Dividends paid	<b>(128,159)</b>	(257,220)
<b>Net cash used in financing activities</b>	<b>(55,971)</b>	(250,659)
<b>Net decrease in cash and cash equivalents</b>	<b>(388,114)</b>	(325,461)
<b>Cash and cash equivalents at 1st April</b>	<b>571,896</b>	898,774
<b>Effect of foreign exchange rate changes</b>	<b>4,011</b>	(1,417)
<b>Cash and cash equivalents at 31st March (Note b)</b>	<b>187,793</b>	571,896

Note :-

**a. Acquisition of subsidiary companies**

During the year, the Group acquired certain subsidiary companies. The fair value of assets acquired and liabilities assumed were as follows :-

	<b>2007</b>
	<b><i>HK\$'000</i></b>
Cash	<b>41,210</b>
Stocks	<b>49,695</b>
Debtors, deposits and prepayments (including defined benefit retirement scheme assets amounted to HK\$478,000)	<b>48,202</b>
Fixed assets	<b>13,921</b>
Deferred tax assets	<b>4,472</b>
Creditors and accruals	<b>(76,837)</b>
Taxation	<b>(3,000)</b>
<b>Net tangible assets acquired</b>	<b>77,663</b>
<b>Intangible asset (Note 11)</b>	<b>322,607</b>
<b>Fair value of net assets acquired</b>	<b>400,270</b>
<b>Satisfied by cash</b>	<b>400,270</b>

Analysis of the net outflow of cash and cash equivalents in respect of the purchase of new subsidiary companies :-

Cash consideration	<b>400,270</b>
Cash acquired	<b>(41,210)</b>
<b>Net outflow of cash and cash equivalents in respect of the purchase of new subsidiary companies</b>	<b>359,060</b>

**b. Cash and cash equivalents at 31 March**

Cash and cash equivalents represent cash at bank and on hand at the end of the year.

The notes on pages 46 to 84 form part of these accounts.